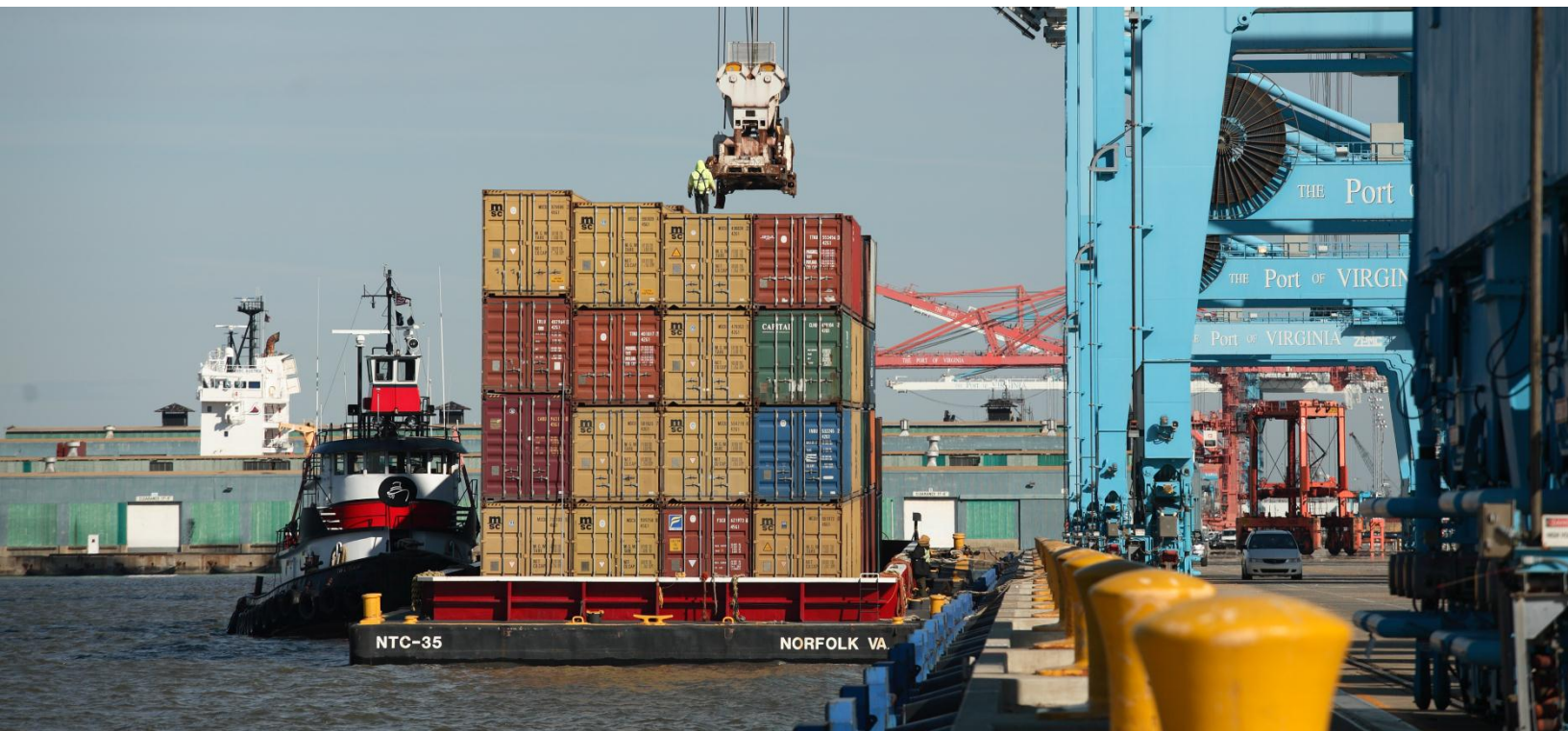




# 2013 Annual Report

**Maritime Administration**



# Maritime Administration at a Glance

Established: 1950

Headquarters: 1200 New Jersey Avenue, SE  
Washington, DC 20590  
[www.MARAD.dot.gov](http://www.MARAD.dot.gov)

Fiscal Year 2013 Budget:<sup>1</sup> \$859 million

Total Employees (2013): <sup>2</sup>	827
Headquarters (Including Gateways and Regional Offices):	546
U.S. Merchant Marine Academy (USMMA):	281

Mission: To foster, promote and develop the merchant maritime industry of the United States.

Industry Outlook: The U.S. waterborne transportation industry enjoyed strong demand for new U.S. built vessels and the movement of domestic cargoes in 2013. However; there was notable contraction of the U.S.-flag international trading fleet as the volumes of U.S. government-impelled cargoes diminished.

*Front Cover – A Year of Challenges – A Year of Action: Clockwise from upper left: Training Ship KENNEDY – MARAD-owned school ship for the Massachusetts Maritime Academy docked in Bayonne, NJ, with–MARAD Ready Reserve Force (RRF) vessel SS WRIGHT approaching in the background to support Superstorm Sandy relief efforts; S.S. BADGER, the last coal-fired steamship on the Great Lakes, is the subject of a MARAD-sponsored feasibility study for conversion to Liquefied Natural Gas (LNG) propulsion; shipping containers are loaded aboard the 64-Express barge on the M-64 Marine Highway Connector in Norfolk, VA, as part of the Marine Highway grant-funded service, which expanded its service from one to three published weekly sailings during FY 2013.*

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<sup>1</sup> Includes funding provided by the Department of Defense (U.S. Navy), Department of Transportation – Office of the Secretary and others. See Appendix 2.

<sup>2</sup> Staff on-board at the end of FY 2013.

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## NOTABLE ACCOMPLISHMENTS AND MILESTONES

October 2012	<p>Training Ship (TS) EMPIRE STATE activated to assist with immediate recovery efforts in the New York City area after Superstorm Sandy</p> <p>MARAD rapidly worked with the Departments of Energy and Homeland Security on an emergency limited Jones Act waiver, allowing the transport of over 2.7 million barrels of much needed additives and petroleum products including heating oil through New York Harbor</p>
November 2012	<p>TS KENNEDY and Ready Reserve Force (RRF) ship WRIGHT activated to assist with recovery efforts in the New York City area after Superstorm Sandy</p>
December 2012	<p>MARAD Great Lakes Natural Gas Feasibility and Design Study completed showing that use of LNG is feasible as a means of propulsion for Great Lakes vessels</p>
January 2013	<p>MARAD received 23 acres of Federal property from the Department of the Navy, for transfer to the Port of Los Angeles to support construction of an intermodal transfer facility</p>
May 2013	<p>MARAD issues notice of proposed policy on certification of passenger vessel safety and security training providers under the Cruise Vessel Safety and Security Act of 2010</p>
June 2013	<p>Deputy Maritime Administrator Paul “Chip” Jaenichen named Acting Maritime Administrator</p> <p>MARAD hosted a Short Sea Shipping Meeting with officials from the European Union’s Directorate General for Mobility and Transport (DG-MOVE) under the U.S.-European Union Memorandum of Cooperation on Short Sea Shipping</p> <p>MARAD receives the “Preservation Media Award” in recognition for its work to complete Honolulu’s Pier 2 Passenger Cruise Terminal which highlighted Hawaii’s Cultural Heritage</p> <p>Marine Highway Container-on-Barge service begins on Route M-580 between the ports of Stockton and Oakland, California, and Asian export markets</p>
July 2013	<p>USMMA welcomes the incoming Class of 2017 with 239 Midshipmen, of which 40 are female (16.7 percent) and 55 are minorities (23 percent)</p> <p>Secretary Foxx designates two new Marine Highway Routes for improved domestic maritime transportation services: the M-29 Connector on the middle Missouri River, and the M-495 Crossing on Potomac/Anacostia/Occoquan Rivers in the U.S. Capital Region</p>
August 2013	<p>USMMA’s Rogers Hall (Midshipman barracks) is reopened after renovations as part of the Academy’s Capital Improvement Plan</p>
September 2013	<p>MARAD completes preparation of a curriculum for training U.S. mariners in the use of force against piracy, as required by the Piracy Suppression Act of 2012</p> <p>MARAD awards two cooperative agreements related to the use of LNG as fuel for vessel propulsion</p> <p>MARAD removes eight obsolete ships from the Suisun Bay Reserve Fleet for a total of 44 ships removed since entering into the 2010 Consent Decree with the State of California. This total is 12 ships or two years ahead of schedule</p> <p>Secretary Foxx announces \$474 million TIGER grants for 52 transportation projects in 37 states, including eight awards for port development and modernization projects totaling more than \$63 million</p> <p>MARAD completed Phase I of its Panama Canal Expansion Study, which included an assessment of the global and national trade impacts expected to result from the expansion of the Panama Canal.</p>

# A MESSAGE FROM THE SECRETARY

Anthony R. Foxx

Since the start of this Administration in January 2009, the U.S. Department of Transportation (DOT) has focused on transportation policy goals that improve public health and safety, foster livable communities, ensure that transportation assets are maintained in a state of good repair, support the Nation's long-term economic competitiveness and work to achieve environmental sustainability. Historically, the Department has been a strong advocate for a world-class Marine Transportation System, with well-maintained ports that are integrated into the Nation's overall freight network.

In 2013, DOT awarded a fifth round of funding for the successful Transportation Investments Generating Economic Recovery (TIGER) Grant program, investing an additional \$500 million to our Nation's infrastructure, making our communities more livable and sustainable. Eight TIGER V Grants were awarded to maritime projects, for a total of more than \$63 million, bringing the program total to \$415 million for 32 port projects that have been awarded since the program started in 2009.

In 2013, DOT took further steps toward realizing the benefits of a truly intermodal transportation system. America's Marine Highway Program received \$30 million in additional funding for port infrastructure projects through the TIGER grant program, bringing the total Federal investment in short-sea shipping since 2009 to \$209 million. The year also saw the designation of three new Marine Highway Routes, leading to the formation of coalitions working to generate maritime industry jobs and establish new and improved domestic marine transportation services. These routes span the Houston Ship Channel in Texas, the Potomac, Anacostia and Occoquan Rivers in the U.S. Capital Region, and the middle Missouri River in Missouri, Nebraska and South Dakota. The Maritime Administration (MARAD) also oversaw completion of TIGER grant-funded projects along the M-580 California Green Trade Corridor, a pilot demonstration container-on-barge service along the busy I-580 corridor between Stockton and Sacramento, CA, and the Port of Oakland, where greenhouse gases are being reduced through the use of cold-ironing, or providing electrical power to the ships to reduce diesel and other air pollutant emissions from ships while they are at berth. Ongoing TIGER-funded projects supporting intermodal freight movement the rehabilitation of 133 miles of rail through the Port of Coos Bay, OR, leading to a tenfold increase in the use of the rail line to move truck traffic off the local roads. Further efforts to improve intermodal freight movements included MARAD's approval to transfer 23 acres of Federal property to the Port of Los Angeles. This property will be used as a rail intermodal transfer facility. Improving the Marine Transportation System and connecting it more fully to the other components of the transportation system lie at the heart of these efforts.

In September 2013, MARAD completed Phase I of its Panama Canal Expansion Study, (Public release in November 2013). This report provided a preliminary assessment of impacts on global and national trade and port infrastructure expected to result from the expansion of the Panama Canal. The Phase I Report also included a significant industry outreach and peer review effort. The remaining phases of the study – which will include an assessment of capacity needs for U.S. ports and inland infrastructure, present industry's assessments of likely impacts to multi-modal transportation systems, and examine potential implications for port development – are expected to be completed in late 2014.

These projects, as well as other MARAD initiatives, will provide lasting improvements to our Marine Transportation System and to the Nation's transportation network overall.



# A MESSAGE FROM THE MARITIME ADMINISTRATOR

Paul N. Jaenichen

The mission of the Maritime Administration (MARAD), an agency of the U.S. Department of Transportation, is “to foster, promote, and develop the merchant maritime industry of the United States,” in order to meet the economic, environmental, and security needs of the Nation. MARAD’s oversight responsibilities encompass shipbuilding, government-owned port and vessel operations, as well as the ships and mariners of the U.S. Merchant Marine.

Less than a month into fiscal year (FY) 2013, MARAD responded in the aftermath of Hurricane Sandy by activating three MARAD-owned ships to house emergency relief workers in the New York City area, and manning our Maritime Command Center (MCC) to monitor the recovery efforts and to keep information flowing to decision makers.

MARAD also helped to foster job creation, encourage economic redevelopment, and ensure adequate port capacity to meet the Nation’s future trade and defense needs by fostering the development of the Port of Los Angeles facility. In support of these efforts, MARAD approved the transfer of approximately 23 acres of Federal property to the Port for expansion of an existing intermodal on-dock rail facility.

In FY 2013, MARAD completed the Panama Canal Expansion Study Phase I Report, (released in November 2013), which includes the preliminary assessments of impacts on global and national trade and port infrastructure resulting from the Panama Canal expansion. MARAD also commissioned a study into specific challenges that need to be addressed in order to make liquefied natural gas (LNG) use for vessel propulsion a reality, including bunkering, land-side infrastructure and training. Another LNG study, which is due to be completed in 2016, will provide before and after emissions data demonstrating the environmental results of repowering an ocean-going containership to operate on LNG.

Another major task faced during this Administration was the lingering environmental challenge posed by the fleet of 57 obsolete government ships that had been moored for decades in Suisun Bay, CA. As of the end of FY 2013, 44 of these ships have been recycled, placing MARAD 12 ships and two years ahead of the schedule set by the 2010 Consent Decree. Through this program, MARAD has been creating jobs in the ship recycling industry and providing proceeds (from ship recycling sales) for reinvestment in our Nation’s maritime education and heritage programs.

This annual report outlines the activities of MARAD in these areas and highlights other major accomplishments. It also satisfies the statutory requirements for a report to Congress on the Cargo Preference Program, the Maritime Guaranteed Loan Program (Title XI) and admiralty suits.

## EXECUTIVE SUMMARY

The Maritime Administration (MARAD) is strengthening our Nation's Marine Transportation System. MARAD employees:

- **Promote the maritime industry by making significant strides in new areas for industry growth such as America's Marine Highways and port infrastructure investment.**

The MARAD is actively engaged in providing consultation, technical assistance and contractor performance oversight for several major port development and port expansion projects. The Administration promotes the efficient use of our waterways through the Marine Highway Program, and administers 32 TIGER grants totaling more than \$415 million to improve port infrastructure, including eight port projects totaling more than \$63 million awarded in FY 2013. Also, MARAD facilitates the development of innovative energy transportation projects such as licensing new deepwater ports off the Nation's coasts. At the same time, MARAD's nationwide system of Gateway offices provides MARAD's leaders and policy makers with on-scene insight from mariners and stakeholder communities, as well as oversight for TIGER grant projects.

During FY 2013, a total of five TIGER grant projects completed the construction phase. The amount of funds expended for these projects totaled \$105 million, with \$73 million from the TIGER Grant Program and State, local and other contributions totaling \$32 million. With construction complete, a performance period of three years has begun to assess the effectiveness of each project to improve regional transportation efficiency, increase port capacity and improve job creation opportunities

- **Support shipbuilding and repair in U.S. shipyards through Title XI Loan Guarantees and small shipyard grants.**

The MARAD helped sustain the maritime industrial base by administering more than \$1.7 billion in Title XI loan guarantees in FY 2013, and awarding \$9.5 million in direct grants to foster efficiency, competitive operations, and quality ship construction, repair and reconfiguration in small shipyards.

- **Improve the environment by recycling obsolete ships, combating invasive species and testing alternative fuels.**

In FY 2013, MARAD continued to recycle obsolete ships from the National Defense Reserve Fleet at Suisun Bay (SBRF). A total of 44 of the 57 ships identified in the 2010 California Consent Decree were removed by the end of the fiscal year which is 12 ships and two years ahead of schedule. MARAD also undertook a study focusing on several specific challenges, including bunkering and land-side infrastructure, which need to be addressed in order to make liquefied natural gas (LNG) use for vessel propulsion a reality, and partnered with the U.S. Environmental Protection Agency (EPA) in support of the Great Lakes Restoration Initiative to address ballast water testing issues.

- **Assist with national security and natural disasters.**

In FY 2013, MARAD's Maritime Command Center (MCC) coordinated over 125 events, including regular National Maritime Intelligence Center briefings, monitoring of 12 named storms in the Atlantic and 19 named storms in the Pacific. The most significant MCC event for the year was Superstorm Sandy. Following the storm's landfall, the MCC mobilized watchstanders to support the relief and recovery effort. As part of the effort, MARAD's Ready Reserve Force (RRF) vessel Steam Ship (SS) WRIGHT was activated to provide berthing for relief personnel in the New York City area, joining Training Ship (TS) EMPIRE STATE and TS KENNEDY. The three ships eventually provided 37,289 accommodation-days and 72,257 meals to the Red Cross, Federal

Emergency Management Agency (FEMA) and other government and non-governmental relief organizations.

- **Study current industry trends and upcoming changes to better prepare for the future.**

During FY 2013, MARAD completed the Panama Canal Expansion Study Phase I Report (publicly released in November 2013), which includes preliminary assessments of impacts on global and national trade and port infrastructure resulting from the Panama Canal expansion. Phases II-IV of the Report also underwent extensive peer review. Once finalized, the report will provide an assessment of capacity needs for U.S. ports and inland infrastructure, present industry's assessments of likely impacts to multi-modal transportation systems and examine potential implications for port development.

- **Transfer former Federal properties, turning idle unused land into productive port facilities**

In FY 2013, MARAD received approximately 23 acres of the former Long Beach Naval Complex in Los Angeles, California for transfer to the Port of Los Angeles. The Port of Los Angeles intends to develop this parcel of land into an intermodal transfer facility for containerized cargo. This facility will increase transportation efficiencies by allowing cargo containers to be unloaded from vessels and placed directly onto railcars for regional and national distribution.

- **Assess ship security and train crews to improve security and assist in the fight against piracy.**

In coordination with Military Sealift Command (MSC) and the Naval Criminal Investigative Service, MARAD deployed assistance teams to visit U.S.-flag merchant ships to assess physical security vulnerabilities and to recommend best practices against piracy. As of September 30, 2013, a total of 83 visits had been conducted since the program's inception in 2009.

- **Educate the next generation of mariners.**

The MARAD continues to invest in the physical plant and academic programs at the U. S. Merchant Marine Academy (USMMA) at Kings Point, NY, by addressing significant financial and infrastructure issues, enhancing oversight and governance, and streamlining the hiring of key personnel. Additionally, the Agency supports the six State Maritime Academies through our annual direct support assistance for maintenance support, school ship, and Federal Student Incentive Payment (SIP) programs, as well as by distributing a portion of the funds accrued through sales of obsolete vessels for recycling from MARAD's National Defense Reserve Fleet (NDRF).

- **Collaborate internationally on trade and infrastructure development.**

In FY 2013, MARAD hosted a U.S.-China Ports and Inland Waterways conference; participated in the Green Port Technologies Reverse Trade Mission to encourage exports to help China overcome its environmental challenges and strengthen U.S.-China relations; and engaged in a bilateral exchange on Short Sea Shipping with the European Union's Director-General for Mobility and Transport.



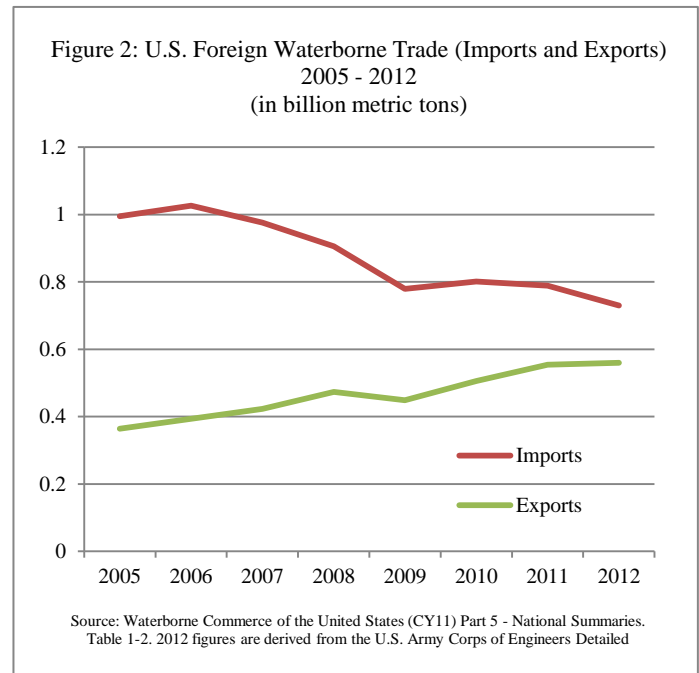
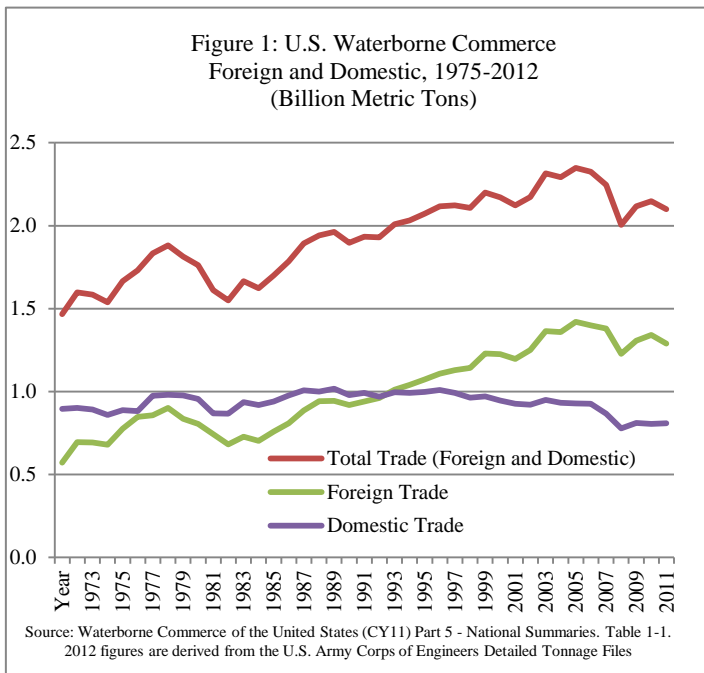
## HELPING AMERICAN COMMERCE

### Industry Overview

The U.S. marine transportation industry serves the needs of both foreign and domestic commerce. This industry includes companies that carry freight or passengers on the open seas, Great Lakes, or inland waterways; offer towing services; ferry supplies to the offshore industry; charter vessels; and operate locks, canals and terminals.

### Waterborne Trade and the U.S. Fleet

In 2012, although it declined by 2.3 percent from 2011, U.S. waterborne commerce accounted for nearly 2.1 billion metric tons of trade (FIGURE 1). U.S. exports increased 1.1 percent to 560 million metric tons in 2012 while U.S. imports declined 7.4 percent to 730 million metric tons (FIGURE 2). Over the last five years, U.S. waterborne trade has experienced a surge in exports, increasing 32.2 percent in tonnage. Conversely, U.S. imports have declined by 25.2 percent over the same period. While volumes as measured in metric tons declined in 2012, the value of U.S. foreign waterborne trade increased one percent from 2011, totaling \$1.781 trillion.<sup>3</sup>



The U.S.-flag fleet carries all of our domestic waterborne trade and a small percentage of U.S. foreign trade in 2012. Under the Merchant Marine Act of 1920, more commonly referred to as the Jones Act, U.S. domestic trade is reserved for vessels registered under the U.S.-flag, built or reconstructed in the United States, and crewed by U.S. mariners.<sup>4</sup> As of January 31, 2012, there were 38,592 U.S.-flag, privately-owned vessels available for operation in U.S. domestic and foreign trades. All inland and coastal vessels (tugs, barges, ferries and Great Lakes vessels) in the U.S.-flag fleet had Jones Act trading privileges. Of the large U.S.-flag self-propelled oceangoing vessels, about 46.5 percent (92 vessels) had Jones Act trading privileges (TABLE 1).

<sup>3</sup> Numbers derived from USA Trade Online Port-level Exports for 2011 and 2012. Source: U.S. Census Bureau: Foreign Trade Division USA Trade @ Online. Source: U.S. Import and Export Merchandise trade statistics.

<sup>4</sup> The domestic trades include cargoes moved on the oceans (including trade between the 48 contiguous states and Alaska, Hawaii, Puerto Rico and Guam), along the coasts, on the inland waterways and the Great Lakes. These trades are protected by Section 27 of the Merchant Marine Act of 1920. Section 27, otherwise referred to as the "Jones Act," reserves marine transportation of freight and passengers to U.S.-built, maintained, documented, owned, and crewed vessels.

**Table 1. U.S.-Flag, Privately-Owned Merchant Fleet by Segment, 2012**

	Ocean <sup>+</sup>	Lakes <sup>#</sup>	Tugs/ Towboats	Barges			Ferries	Total
				Dry	Tank	Offshore		
U.S.-Flag	198	57	5,499	26,702	4,627	949	560	38,592
Jones Act Eligible	92	57	5,499	26,702	4,627	945	560	38,482
Non-Jones Act Eligible	106	0	0	0	0	4	0	110

Notes: Fleet as of 31 Jan. Ocean/Lakes/Offshore—vessels of 1,000 Gross Tons (GT) or greater; <sup>+</sup>Ocean-includes 2 ITBs; <sup>#</sup>Lakes—vessels of more than 400ft in length; includes 12 tug/barge units.  
Sources: Ocean/Lake and Offshore—IHS-Fairplay, [www.ihsfairplay.com](http://www.ihsfairplay.com); Tugs/barges and ferries—U.S. Army Corps of Engineers, Vessel Detail files, <http://www.navigationdatacenter.us/db/wtlus/data/>.<sup>5</sup>

## Contribution to Gross Domestic Product

In January 2014, the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) released a major revision of data used to measure gross output for marine transportation. Therefore, the figures below represent a new methodology and do not mirror data released in prior MARAD Annual Reports. The BEA has provided a publication that highlights the results of the comprehensive revision to its statistics. This publication is available on the BEA website.<sup>6</sup>

Table 2. U.S. Marine Transportation Gross Output by Components and Other Economic Indicators, 2002-2012  
(Gross Output and Assets in billions of dollars; Employment in thousands of people)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Gross Output	27.0	31.3	37.3	39.3	42.2	48.3	54.7	49.2	54.0	56.1	56.9
Value Added	7.3	8.6	9.0	9.3	13.2	14.7	16.9	16.7	16.0	14.3	14.4
Labor Compensation	3.7	3.8	4.2	4.7	5.1	5.7	6.1	5.9	6.0	6.5	6.8
Taxes Less Subsidies	0.4	0.6	0.1	0.5	0.5	0.7	0.6	0.5	0.7	0.7	0.4
Gross Operating Surplus	3.2	4.2	4.7	4.1	7.6	8.3	10.2	10.3	9.3	7.1	7.2
Intermediate inputs	19.6	22.7	28.3	30.0	29.0	33.7	37.8	32.5	38.1	41.8	42.5
Energy inputs	3.8	5.2	7.9	9.7	9.1	11.9	13.7	6.9	10.2	13.9	15.3
Materials inputs	2.9	2.7	2.7	2.4	2.2	2.0	2.8	2.1	2.4	2.7	2.6
Purchased-services	12.9	14.9	17.7	18.0	17.7	19.8	21.3	23.6	25.4	25.2	24.6
Assets	35.8	35.7	36.5	37.1	38.8	39.5	40.6	39.8	39.7	39.3	38.7
Gross Operating Surplus/Assets (%)	8.9	11.7	13	10.9	19.6	20.9	25.2	25.9	23.3	18.1	18.6
Employment	52.0	53.0	54.5	57.9	61.6	61.7	63.9	64.8	59.2	61.0	63.9
Seafarers	20.0	22.5	22.7	29.4	32.4	34.5	31.7	32.8	32.2	33.7	36.8

Sources: Gross Output and Assets - Bureau of Economic Analysis, [www.bea.gov](http://www.bea.gov); Employment - Bureau of Labor Statistics, [www.bls.gov](http://www.bls.gov).

The marine transportation industry's contribution to gross domestic product, otherwise known as 'value added' (gross output less the cost of intermediate inputs) was \$14.4 billion in 2012, down from levels reached during 2008-2010, but up 97.2 percent from 10 years earlier. The major change in the new data set is the Purchased-services component of intermediate inputs, which doubled from previous MARAD Annual Report estimates, based on the new data provided by the BEA.

## Foreign Transfers

During FY 2013, MARAD approved the transfer of 35 ships of 1,000 gross tons and over to foreign ownership and/or registry. In FY 2013, four vessels were approved for scrapping; one in India, one in Mexico and two in the United States. The Environmental Protection Administration (EPA) is notified of vessels to be scrapped and/or transferred prior to MARAD granting approval. Transferring vessels 3,000 gross tons and greater to foreign ownership and/or registry requires MARAD approval, as does any subsequent transfer of ownership and/or registry. Vessels involved are required to remain available

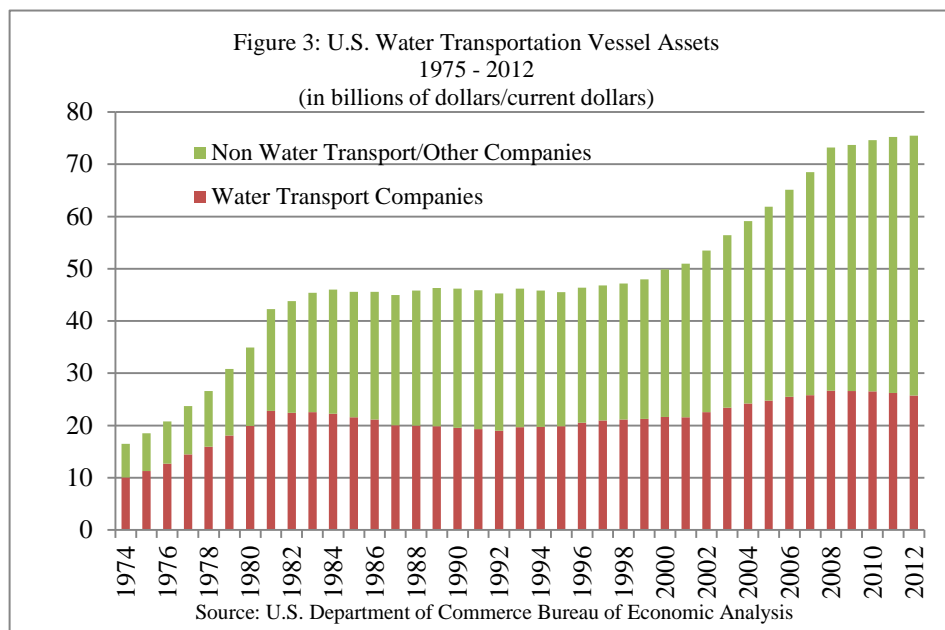
<sup>5</sup> Note: Annual Reports preceding 2011 included only vessels of 10,000 deadweight tons or more. The use of the 1,000 gross tons threshold from that report on, re-establishes vessel counts that are comparable with MARAD records dating back to 1946.

<sup>6</sup> Kim, Donald D., Erich H. Strassner, and David B. Wasshausen. *Industry Economic Accounts: Results of the Comprehensive Revision, Revised Statistics for 1997–2012*. Department of Commerce, Bureau of Economic Analysis. February 2014, [http://www.bea.gov/scb/pdf/2014/02%20February/0214\\_industry%20economic%20accounts.pdf](http://www.bea.gov/scb/pdf/2014/02%20February/0214_industry%20economic%20accounts.pdf)

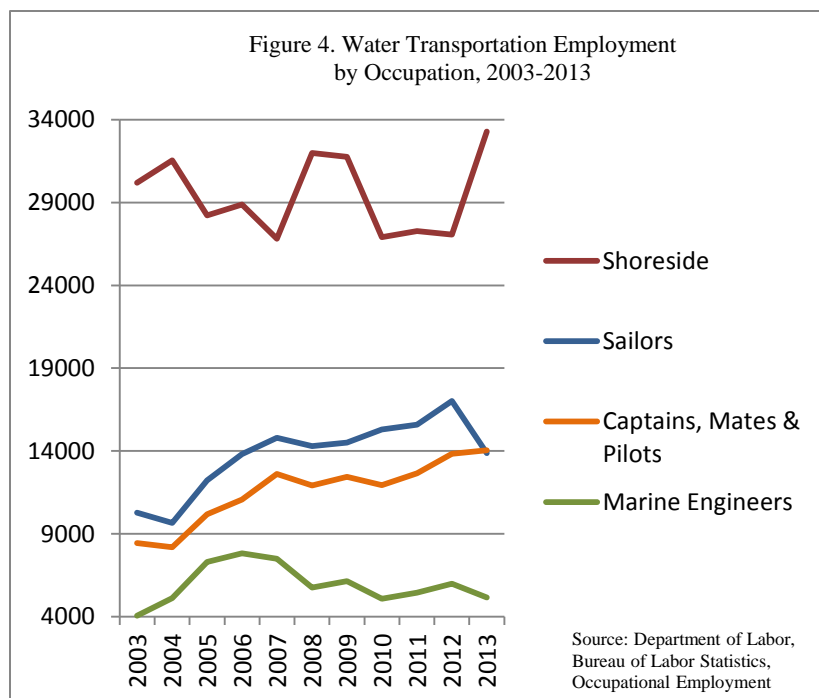
for U.S. Government requisitioning, if needed. User charges for processing applications for foreign transfers and similar actions totaled \$8,120 for this reporting period.

## Industry Investment

For the 10 year period 2002-2012, the value of U.S.-flag marine transportation vessel assets increased by 41.1 percent (FIGURE 3). Over this period, carriers invested in new U.S.-flag vessel assets including 65 ocean vessels, 850 tugs, 1,274 double-hull tank barges, 8,214 dry cargo barges, and 398 offshore supply vessels. In 2012, marine transportation companies owned 25 percent of the vessel fixed assets, compared to 30 percent 10 years ago. Other vessel-owning companies include oil companies, marine transport support companies, financial intermediaries and leasing companies.



## Growing Employment



Employment in marine transportation extends beyond the vessels to include shoreside logistics and support, port services, and shipbuilding and repair. In 2013, marine transportation and related industries accounted for approximately 289,300 jobs. Of those jobs, roughly 66,330 were directly in the marine transportation industry, 92,260 were in port services, and 130,750 were in shipbuilding and repair.<sup>7</sup>

Although new vessel assets generally require less manpower than those they replace, markets for marine transportation services have increased the demand for U.S. seafarers. In 2013, roughly 33,050 U.S. seafarers were employed in the marine

transportation industry (sailors, marine engineers, captains, mates and pilots) (FIGURE 4).<sup>8</sup> This level of U.S. seafarer employment represents an 11% decrease from the 2012 level and a 45.0% increase over

<sup>7</sup> These figures are based off of the May 2012 National Industry-Specific Occupational Employment and Wage Estimates released by the Bureau of Labor Statistics. Water Transportation NAICS: 483000, Port Services NAICS: 488300. Shipbuilding numbers from NAICS code 336600

<sup>8</sup> Seafarer occupations are responsible for the operation and maintenance of ships that move cargo and people over water. This number represents the Deep Sea, Coastal and Great Lakes Water Transportation along with Inland Water Transportation (NAICS Code 483100 and 483200). The occupations represented in this number include (1) Sailors and Marine Oilers (Occupation Code 53-5010); (2) Ship and Boat

2003 levels. Shoreside employment represented 50% of the overall marine transportation industry and consists of various occupations such as office/managerial staff, dispatch and distribution staff, customer service representatives and financial clerks. Other industries such as mining, construction, sightseeing, and the Government employ approximately 36,000 mariners that are not included under marine transportation.<sup>9</sup>

## Conclusion

As shown in Figure 4, the U.S. marine transportation industry has seen a steady increase in waterborne related employment over the past decade and, aside from a drop in reported seafarer employment from 2012 to 2013, the industry trend shows potential growth in the future. When marine transportation employment is further broken out by occupational group, we see that marine engineers have not followed pace with the other groups, and their number has actually declined over the past 10 years. Recent developments in various other domestic market sectors are a possible reason for the overall increase in demand for workers in marine transportation employment, except as noted above for workers in the marine engineer occupation. These trends in growth are expected to continue due to a significant increase in domestic oil production and the anticipated recapitalization of transportation assets in Jones Act container trades (Puerto Rico/Alaska/Hawaii). Conversely, the outlook for the U.S.-flag oceangoing foreign trade (non-Jones Act eligible) fleet is more problematic. Due in part to reductions in U.S. government military and civilian cargoes since 2010, the size of this fleet is declining, falling from 107 vessels as of January 2011 to 95 vessels at the beginning of 2013 and to 89 vessels by the end of calendar year 2013 (see Table 3).

**Table 3: U.S. Flag Privately-Owned, Non-Jones Act Eligible, Merchant Fleet, 2009 - 2014**

Fleet is as of January of each year  
(Tonnages in Thousands)

Year	Total			Containership			Dry Bulk			General Cargo			Integrated Tug/Barge			Roll-On/Roll-Off			Tanker		
	No.	Grt	Dwt	No.	Grt	Dwt	No.	Grt	Dwt	No.	Grt	Dwt	No.	Grt	Dwt	No.	Grt	Dwt	No.	Grt	Dwt
2014	89	3,827	3,576	45	2,319	2,542	3	86	153	14	170	221	0	0	0	22	1,135	465	5	117	194
2013	95	3,947	3,664	49	2,372	2,599	3	86	153	15	178	229	0	0	0	23	1,194	489	5	117	194
2012	106	4,260	4,043	54	2,516	2,795	5	158	281	15	168	213	0	0	0	25	1,277	530	7	140	224
2011	107	4,327	4,119	53	2,493	2,779	8	225	396	13	142	179	0	0	0	27	1,352	579	6	115	186
2010	106	4,254	4,165	54	2,550	2,838	8	225	396	11	128	164	0	0	0	27	1,229	568	6	122	199
2009	102	3,975	3,808	49	2,236	2,440	8	225	396	10	121	156	0	0	0	29	1,272	616	6	122	199

Note 1: Oceangoing Self-Propelled, Cargo-Carrying Vessels of 1,000 Gross Tons and Above

Note 2: Totals may not sum correctly due to rounding.

Sources: Ocean/Lake and Offshore—IHS-Fairplay, [www.ihsfairplay.com](http://www.ihsfairplay.com); Tugs/barges and ferries—U.S. Army Corps of Engineers, Vessel Detail files, <http://www.navigationdatacenter.us/db/wtlus/data/>

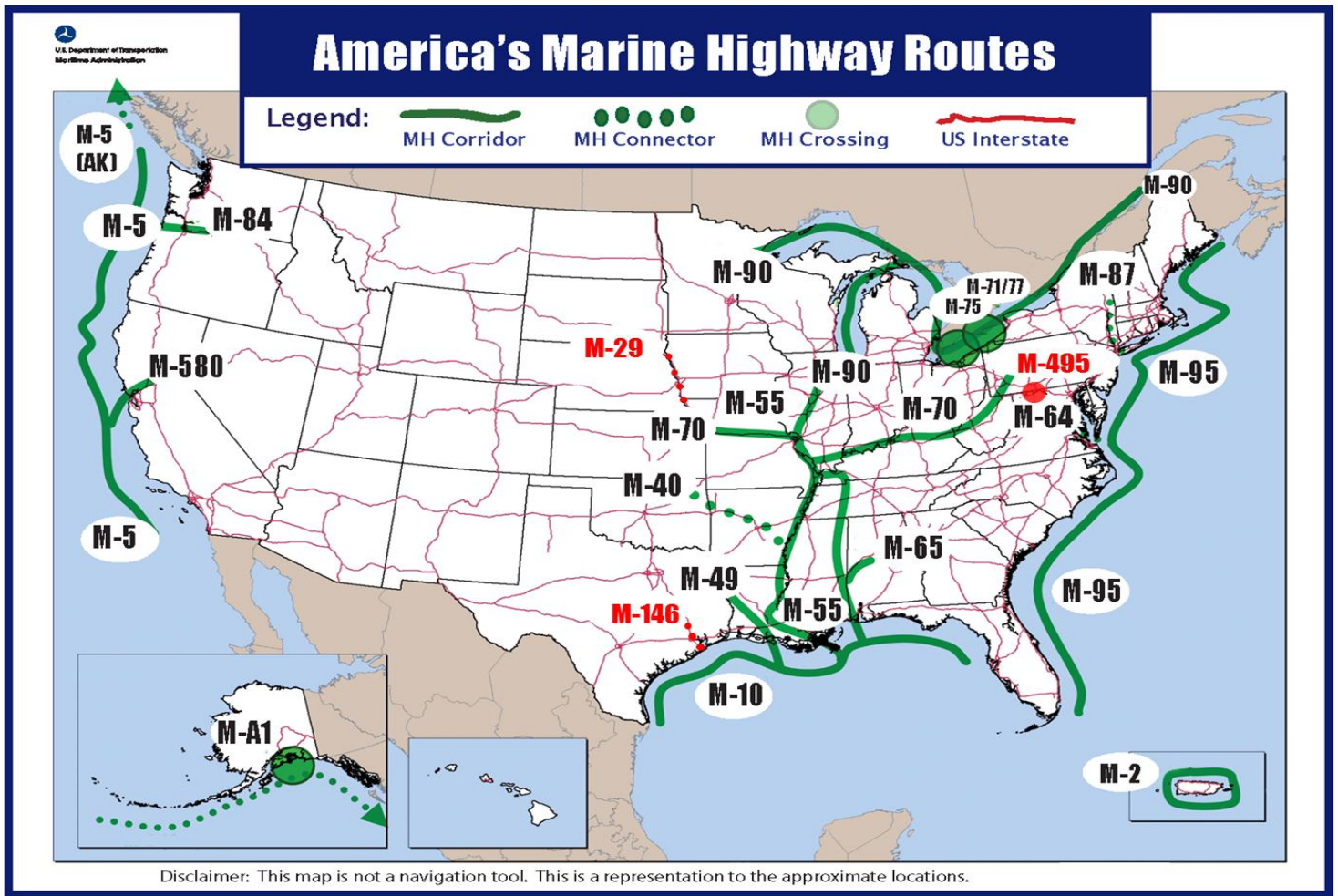
## America's Marine Highway Program

America's Marine Highway Program renews the Nation's awareness of the capacity of her waterways and develops ways that they can serve domestic freight and passenger transport needs. In 2013, three new Marine Highway Routes were added to the 18 Routes, eight projects and six initiatives designated in August 2010. These new routes, the M-29, M-495 and M-146, located along the middle Missouri River, Potomac/Anacostia/Occoquan Rivers and Cedar Bayou, TX, will expand the potential for freight and passenger movement on our waterways in those regions by stimulating the formation of coalitions to build new and improved domestic maritime transportation services.

Captains and Operators (Occupation Code 53-5020); and (3) Ship Engineers (Occupation Code 53-5030)

<sup>9</sup> Other occupations include the following NAICS codes: 532400, 611300, 611600, 713200, 713900, 999100, 999200 and 999300.





U.S. DOT also funded an additional \$30 million in Marine Highway-related port infrastructure projects in fiscal year 2013 through the TIGER grant program. In June 2013, a new marine highway demonstration pilot project began operations on the M-580 Marine Highway Corridor, also called the California Green Trade Corridor between Stockton and Oakland, California, which was funded through an earlier TIGER grant. The service carried 2,190 twenty foot equivalent unit (TEU) containers in FY2013, which is the equivalent of over 2,000 truck trips removed from I-580. Lessons learned from this pilot project will be applied to future Marine Highway projects.



Acting Administrator Paul "Chip" Jaenichen, Sr., takes aim as he christens the barge for the M-580 Marine Highway service pilot project with a bottle of California wine.

## America's Ports

### Port Infrastructure Programs

MARAD's mission to foster, promote and develop the merchant maritime industry of the United States includes the upkeep, maintenance, modernization and repair of the Nation's Marine Transportation System infrastructure. Development issues, such as increased land value, competing land uses, funding challenges and access in urban areas, can constrain economic growth, if not addressed. The consequences of these delays include a slower supply chain, increased costs to consumers, and decreased transportation efficiency.

Marine transportation is an integrated network that must operate seamlessly, not just within the United States, but around the world. Taking full advantage of America's rivers, lakes and waterways, the Marine Transportation System requires vessels of all types suited to a variety of cargos. Delivering goods to the customer requires an advanced network of ports and terminals, fleets of trucks, rail cars and barges. As part of the overall freight transportation network, our Nation's ports work in coordination with all other surface transportation modes to move goods for economic benefit and strategic needs. In order to ensure that ports meet the requirements placed on them, a number of Federal assistance programs have been developed. These programs include assistance to ports and discretionary grant programs administered on a competitive basis.

### The Transportation Investment Generating Economic Recovery (TIGER) Grant Program

#### Maritime Administration TIGER Grants





The TIGER grant program has just announced the 6<sup>th</sup> round of grants in 2014. Round I, announced on February 17, 2010, provided \$1.5 billion for discretionary transportation grants, and funded 51 projects, including seven port projects—totaling nearly \$129 million. Those initial grants to ports in Maine, Rhode Island, Illinois, Mississippi, California, Alaska and Hawaii supported a number of modernization efforts. Since that time, five additional rounds of TIGER grants were awarded from FY 2010 through FY 2014. The FY 2013 grants, announced on September 5, 2013, awarded \$474 million to 52 transportation projects in 37 states. Announcing the awards, U.S. Transportation Secretary Anthony Foxx said, “Together, the awards support President Obama’s call to ensure a stronger transportation system for future generations by repairing existing infrastructure, connecting people to new jobs and opportunities, and contributing to our Nation’s economic growth.”

The FY 2013 funds included awards for eight port projects totaling more than \$63 million. Through the fifth round of TIGER, MARAD has been asked to administer 32 grants totaling more than \$415 million. These grants are being used to improve port infrastructure and help obtain equipment. They are a significant source of assistance focused on improving efficiencies for the movement of freight on Marine Highways, and will also help U.S. exporters compete in the world market.

MARAD is using both headquarters and Gateway Office staff to oversee and manage the successful completion of these projects. Six of the seven Round I TIGER grants have been completed and are already having a positive impact on the Marine Transportation System. The California Green Trade Corridor demonstration pilot project generated revenue, hosting barge calls and moving thousands of tons of cargo each month between Stockton and Oakland, CA. The Port of Oakland is reducing greenhouse gases through use of a cold-ironing project. Cold-ironing is a shore-to-ship connection that provides electrical power to the ship, thereby allowing diesel generators to be shut down reducing diesel use and other air pollutant emissions from ships while they are at berth to load and unload cargo. This project demonstrates the Port’s environmental leadership and overall commitment toward improving air quality. Revenue is also being generated from both the Hawaii Pier 29 project and the Quonset Development Corporation project as a result of the rehabilitated facilities which the TIGER program helped fund.

### **Expansion Programs: Alaska, Guam and Hawaii**

MARAD continued to limit Federal Government risk while working to develop the way ahead for the Port of Anchorage (POA). In August 2011, MARAD entered into an inter-agency agreement with the U.S. Army Corps of Engineers (USACE) to contract with CH2M Hill to conduct an independent Suitability Study of the Open Cell Sheet Pile® (OCSP®) design. In November 2012, CH2M Hill’s report determined that the OCSP® system design was not a suitable structure at three of the four berths at POA and did not meet the minimum global stability and seismic displacements requirements based on the design criteria.

Although MARAD’s official partnership with Anchorage ended with the expiration of the project’s Memorandum of Agreement on May 31, 2012, MARAD remained engaged with the project to assist the Municipality of Anchorage in determining the best path forward. MARAD and POA staff developed three 15% design concepts with associated cost estimates for completing the North End of the port. The designs were briefed to and accepted by the Mayor of Anchorage and the Alaska State Assembly in March 2013 as the way to proceed when funding became available. A decision was made not to proceed with pile load testing and aquatic acoustical monitoring in May 2013 which would have been the next step in moving the project forward.

By June 2013, MARAD disengaged from its advisory role assisting Anchorage in continuing the project, and the Municipality of Anchorage hired CH2M Hill in February 2014 as their consultant to move the project forward. Recent completion of a design charrette has moved to shift the project from an Expansion to Modernization effort. The change from expansion of the Port to modernization is expected to be more palatable to attaining funding to complete the project. Conversely, on February 28, 2014, the

Municipality of Anchorage filed suit against MARAD in the Court of Federal Claims for unspecified damages arising out of the original expansion project. That lawsuit remains in litigation.

MARAD is also working on two other Pacific Rim port facility projects. In May 2008, MARAD signed a Memorandum of Understanding with the government of Guam and the Port Authority of Guam to upgrade the port for the expected expansion in trade after the redeployment of U.S. Armed Forces based in the Pacific theater. This ongoing project will expand port capacity and provide much-needed upgrades for an aging port facility, thereby helping to stimulate Guam's economy.



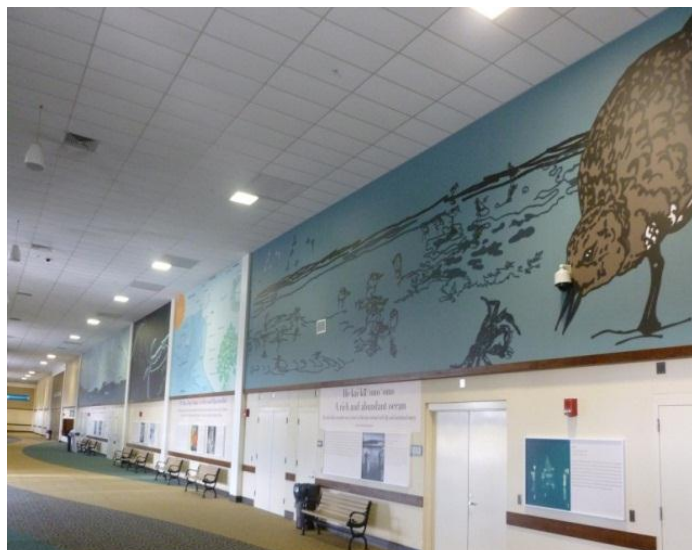
Apra Harbor, Guam

All designs for container freight station, selected demolition and break bulk yard modification, and facility expansion for the Guam Commercial Port Improvement Project have been completed, leaving only the final and largest construction phase to be completed in 2014 and 2015.

In Hawaii, MARAD completed Phase I of the Pier 2A project at Kawaihae Harbor. In recognition of the work completed that highlighted Hawaii's cultural heritage at the Pier 2 Passenger Cruise Terminal, MARAD was recognized with the Preservation Media Award at the annual Historic Hawaii Foundation Preservation

award ceremony.

To align with the Office of the Inspector General (OIG) recommendations, MARAD took steps in FY 2013 to limit Federal Government risk and began a systematic transition to turn over project lead activities to Hawaii Department of Transportation Harbors Division. This would be executed upon completion of designs and provide Hawaii Harbors adequate time to establish management and acquisition strategies to execute construction in FY 2014. Designs for demolition of Honolulu Pier 31 Shed, Hilo Pier 1 Shed Modification, and replacement of Fire Suppression Systems at Honolulu Pier 31A/32 were completed and turned over to Harbors Divisions. MARAD's future role will be design support during the construction phase.



Hawaii Harbors - Interior View of Pier 2 Facility Upgrade for Cruise Passenger Terminal Use.

### **Port Conveyance Program: Capacity Expansion**

Surplus Federal properties, when made available to local port authorities for port development purposes, serve an important role in expanding the capacity of the Nation's Marine Transportation System and building our economy. Since the inception of the Port Conveyance Program, approximately 2,700 acres of surplus Federal property have been conveyed to eligible State and local governmental entities for the purposes of port infrastructure improvements, port expansion and economic development.

In FY 2013, MARAD received 23 acres of the former Long Beach Naval Complex from the U.S. Navy for transfer to the Port of Los Angeles to expand the existing Terminal Island Container Transfer

Facility. This intermodal on-dock rail facility allows cargo containers to be unloaded from container vessels and placed directly onto railcars for regional and national distribution. Also in FY 2013, MARAD approved the Port of Pasco's Port Conveyance application for two acres of the former PFC Daniel L. Wagenaar U.S. Army Reserve Center in Pasco, WA. This property will be added to the Port of Pasco's inventory to support local job creation. It is expected that the former Federal properties will be transferred to the Port of Los Angeles and the Port of Pasco by the end of 2014.

These well-planned port development projects will aid in the economic development and improved productivity at our Nation's ports and intermodal transfer facilities.

### **Energy Development: Import and Export Deepwater Ports**

Under the Deepwater Port Act (33 U.S.C § 1504), MARAD is responsible for processing and approving applications from private energy companies to own, construct and operate offshore LNG receiving facilities. During FY 2013, MARAD processed one deep-water port license application for the construction and operation of an LNG import facility in the offshore waters of New York and New Jersey. The Federal review and evaluation process for this proposal will continue in FY 2014.

Although MARAD has experienced a decline in the number of import applications over the past several years, recent developments in the exploration and production of domestic shale gas has raised significant interest among domestic energy producers in the development of new export facilities. Recognizing the importance of this opportunity, in December 2012, Congress passed the Fiscal Year 2014 Coast Guard Authorization Act, which amended the Deepwater Port Act (DWPA) to expand MARAD's authority to license the construction and operation of new offshore facilities to export oil and LNG. This new authority is being implemented in accordance with existing licensing provisions set forth by the DWPA.

Such facilities can enhance the Nation's overall energy portfolio and present opportunities to advance the Nation's competitive position within the global energy market.

### **Industry Advocacy and Outreach**

#### **Gateways and Stakeholder Outreach**

MARAD operates Gateway offices in 10 of the Nation's largest ports on the West, East and Gulf Coasts, as well as the Great Lakes and inland waterways: San Francisco and Long Beach, CA; New York, NY; Chicago, IL; Houston, TX; Norfolk, VA; Miami, FL; New Orleans, LA; St. Louis, MO; and Seattle, WA. MARAD's Gateway offices use their local knowledge, experience, and stakeholder relationships to identify issues, best practices and opportunities to integrate the Marine Transportation System into our overall transportation network. The Gateway offices also work with public- and private-sector participants to better understand the connections among improved cargo flow, economic vitality, community livability, and environmental sustainability. These offices also bring DOT and MARAD expertise to bear when working with local stakeholders. In addition, the Gateway offices are MARAD's representatives for oversight of the 32 TIGER Grants, totaling more than \$415 million through five rounds. They are responsible for conducting site visits to grantees, including initial award visits, compliance/audit visits, validation of expenditures and project close-outs. Further, they work closely with grant recipients to monitor and report on performance measures.

#### **The Marine Transportation System National Advisory Council**

The Marine Transportation System National Advisory Council (MTSNAC) is designed to provide an industry stakeholder and academic perspective to Department policies that effect efficient and environmentally friendly waterborne freight and passenger movements. The Secretary relies on MTSNAC to provide him with guidance on developing a national freight policy and integrating maritime transportation into the overall transportation system.



MTSNAC adopted several valuable recommendations from the Marine Highway and Ports Subcommittees to integrate marine transportation more fully into State, regional and national transportation planning. In FY 2013, the Port Subcommittee began to develop a concept paper that explores the use of a cargo facility charge to provide a steady stream of funding for ports. The goal of this concept paper is to frame a conversation between the Maritime Administration, U.S. port, and carriers and shippers calling at U.S. ports to address the critical unmet port supply chain funding issues and ultimately to develop the broad outline of a funding strategy for U.S. ports. It is anticipated that this concept paper will be completed and presented to the full MTSNAC during FY 2014.

A Shipbuilding subcommittee was also formed and it developed recommendations to strengthen the U.S. commercial shipbuilding industrial base, improve the effectiveness and transparency of the Title XI loan guarantee program and encourage the development of a comprehensive LNG bunkering terminal network to support the emerging LNG-powered U.S.-flag fleet. These recommendations were presented to Secretary Foxx, who requested that MARAD take appropriate action to implement them.

### **National Ocean Council**

MARAD played a significant role in representing DOT in the development of the National Ocean Policy Implementation Plan, which was issued by the White House's National Ocean Council (NOC) in April 2013. MARAD was influential in streamlining the report and supported the work of the action item teams in eight of the nine priority areas in the plan. In addition, MARAD continues to meet regularly with the Office of the Secretary of Transportation (OST) and other Operating Administrations to ensure that the action items assigned to DOT in the Implementation Plan are completed in a timely manner.

MARAD was also a contributor to the development of NOC's Marine Planning Handbook (formerly referred to as the Coastal and Marine Spatial Planning Handbook). The Handbook was released in July 2013 and provides guidance to Regional Planning Bodies in the nine regions of the United States and its territories. MARAD's Gateway Directors, with support from headquarters staff, represent DOT on each of the Regional Planning Bodies.

### **Intragovernmental Outreach**

#### **The U.S. Committee on the Marine Transportation System (CMTS)**

The CMTS is a Federal Cabinet-level, inter-departmental committee chaired by the Secretary of Transportation. The purpose of the CMTS is to create a partnership of Federal departments and agencies with responsibility for the Marine Transportation System. In FY 2013, MARAD continued its role leading the CMTS U.S. Arctic Shipping Integrated Action Team (IAT). The IAT's final report – "U.S. Arctic Marine Transportation System: Overview and Priorities for Action 2013" – was forwarded to the President in July 2013 and outlined 16 priorities to enhance safety and security for an Arctic marine transportation system. MARAD also continued its involvement with Arctic policy through DOT and IAT engagement in the development of the implementation plan for the White House National Strategy on the Arctic Region.

In September 2013, Acting Maritime Administrator Jaenichen proposed that the CMTS enhance interagency engagement on the use of alternative fuels in maritime transportation. Following a scoping meeting jointly led by MARAD and the Department of Energy (DOE) and attended by 10 CMTS member agencies, the Coordinating Board established a CMTS Maritime Energy Task Team (Task Team). In FY 2013, the Task Team – led by MARAD and DOE – developed a work plan to include developing a compendium of Federal maritime energy initiatives and programs to better understand the breadth and scope of maritime energy activities and to assess any gaps.

## U.S.-Flag Waterborne Domestic Trade

U.S.-flag vessels are an established mainstay of America's national transportation system, providing essential freight and passenger services to almost all States and territories.



To encourage a strong U.S. Merchant Marine for both national defense and economic security, the Jones Act (46 U.S.C. § 55101 and 46 U.S.C. § 55102) and the Passenger Vessel Services Act (46 U.S.C. § 55103) require that freight and passengers being transported by water between U.S. points (i.e. cabotage trade) must travel in U.S.-built and U.S.-citizen owned vessels that are registered in the United States. These “Jones Act vessels” handle a combined total of over 50 million passengers and approximately one billion tons of cargo annually, mostly bulk products such as petroleum, coal, iron ore, grain, crushed rock and decorative stone, with high-value containerized products dominating the U.S.-flag domestic trade to Alaska, Hawaii and

Puerto Rico. The U.S.-flag domestic cargo fleet supporting this massive inland and coast-wise ocean trade is made up of over 38,000 vessels (mostly towboats and barges).

Domestic waterborne transportation also contributes billions to the U.S. economy in the form of freight and passenger revenue, and millions of dollars of government revenue in the form of Federal, State and local taxes.

### The Strategic Petroleum Reserve and the Jones Act Fleet

The Strategic Petroleum Reserve (SPR) is the multi-million barrel crude oil storage system that can be accessed by United States in times of national urgency. When the oil is sold to petroleum companies during a crisis, Federal statute requires that domestic waterborne transportation be accomplished using vessels that are U.S.-owned, -built, and registered in the U.S. The perception that such vessels may not be available led to foreign-flag waivers in the past, sometimes without appropriately considering the availability of U.S. vessels. The 2011 SPR release was the first time an effort was even made to integrate consideration for Jones Act U.S.-flag vessel availability into the process.



With the rising price of gas in FY 2013, there was a strong call for an SPR draw-down. MARAD spent significant time working with OST and other U.S. Government agencies, including the Departments of Energy, Homeland Security and Defense, to develop a process for the oil release that makes a clear provision for use of Jones Act vessels. In late August of 2013, a test of the process successfully demonstrated MARAD’s ability to identify available coastwise qualified vessels in response to an SPR drawdown.

## **Maritime Administration Assistance to Shippers**

MARAD helps the shipping public comply with the Jones Act by locating U.S.-flag vessels that can carry domestic cargo. The agency also assists Department of Homeland Security (DHS) in their evaluation of Jones Act waiver requests by officially advising the U.S. Customs and Border Protection (CBP) — which has direct responsibility for enforcing the Jones Act — on the availability of Jones Act qualified vessels.

### **Small Passenger Vessel Waiver Program**

46 U.S.C. § 12121 authorizes MARAD to administratively waive the U.S.-build requirements of the Jones Act for foreign-built small passenger vessels carrying no more than 12 passengers for hire. To grant such waivers, MARAD must determine that employing the vessel in the coastwise trade will not adversely affect U.S. vessel builders or the coastwise trade business of any person who employs vessels built in the United States. One hundred waivers were granted by MARAD in FY 2013.

### **Launch Barge Program**

While the Administration supports the use of U.S.-flag qualified vessels in all circumstances, on rare occasions the launch of an exceptionally large oil rig or offshore platform may require the use of a foreign-built launch barge. Therefore, 46 U.S.C. § 55108 allows MARAD to review and make determinations allowing the use of foreign-built launch barges under very exacting circumstances.

In February of 2013, Walter Oil & Gas Corporation applied for permission to use a foreign flag, foreign built specialized launch barge to launch one of the world's largest offshore petroleum production platforms. No coastwise qualified vessel operators expressed interest in this project and none were found to be available. When ready, the oil platform will load to the semi-submersible launch barge at a yet-to-be-named Texas shipyard and transport the rig to the U.S. Gulf of Mexico drilling site where it will be “launched” in 2015. When in position, the rig will stand 1,310 feet high, or almost as high as the Empire State Building.



### **Anchor Handling Waiver Program**

As with the Launch Barge Program, MARAD is authorized to make determinations under 46 U.S.C. § 12105 (c) allowing the use of foreign anchor handling vessels used to position mobile offshore drilling units. If no U.S.-flag vessels are available, and if the companies desiring to use foreign vessels have contracts in place to bring in replacement U.S.-flag vessels, MARAD may grant a waiver. This specialized program only applies to operations in the Beaufort Sea and Chukchi Sea adjacent to Alaska. There were no waiver requests in FY 2013, although one major oil company has indicated that this waiver program would be used in the future.

### **America's Cup Vessel Waiver Program**

In late 2011, Congress passed legislation allowing for a special exemption from the coastwise laws for the operation of foreign competing and supporting vessels



Swedish vessel ARTEMUS V was allowed to operate in U.S. waters under the America's Cup Waiver Program.



directly involved in the America's Cup Race series held in Newport, RI in June of 2012 and in San Francisco Bay in the summer of 2013. A requirement under the law was that the vessels must have received "eligibility certificates" from MARAD before engaging in America's Cup activity in U.S. waters. The first America's Cup certificate was issued June 4, 2012 to Team New Zealand, the last on August 5, 2013. In all, MARAD issued nine America's Cup compliance certificates, receiving a note of appreciation from the America's Cup Race Management team.

### **Aquaculture**

Under a special provision of law (46 U.S.C. 12102), MARAD may issue waivers allowing foreign flag vessels to be used in operations that treat fish raised in the offshore aquaculture industry for diseases, if suitable U.S. vessels are not available. Since October of 2010, the provision has been used exclusively by Cooke Aquaculture, Inc. in the treatment of farm raised Atlantic salmon off the coast of Maine. MARAD has processed a total of six separate time limited waiver requests since the start of the program – the most recent determination was made on January 8, 2014 – allowing foreign vessels M/V COLBY PERCE and the M/V RONJA CARRIER to conduct offshore operations. In recent years, there has been no interest in this type of work from the U.S. commercial fishing fleet.

### **MARAD Studies**

#### **Panama Canal Expansion Study**

Over the past three years, the U.S. DOT and MARAD have been undertaking a comprehensive study of the Panama Canal Expansion project to assess the potential changes in trade patterns resulting from an expanded Panama Canal, formulate projected impacts on the Nation's ports, waterways and intermodal freight systems, and present policy recommendations to optimize Federal investment decisions.

The study is being conducted in four clearly defined phases and includes a robust outreach program designed to guide and inform the study analysis and ultimately verify study results. The outreach program consists of a rigorous peer review process that will be applied to each phase of the study, one-on-one interviews to be conducted with key executives from the maritime and transportation industries, a shipper survey distributed to thousands of international companies, and a series of nationwide listening sessions to engage Federal, State and local government representatives and other stakeholders.

During 2013, MARAD completed the Panama Canal Expansion Study Phase I Report, which underwent an extensive Federal inter-Agency review and approval process. The Phase I Report was released in November 2013 and includes preliminary assessments of impacts on global and national trade and port infrastructure resulting from the Panama Canal expansion. Also during 2013, Phases II-IV of the report underwent extensive peer review. Once finalized, the Phases II – IV Report will provide an assessment of U.S. port capacity and inland infrastructure, present industry's assessments of likely impacts to multi-modal transportation systems, examine potential implications for port development and provide recommendations for policy and investment decisions.

It is anticipated that the study analyses will conclude in October 2014, with the official public release of the final report following Federal inter-Agency review.

#### **Energy and Environmental Studies**

Additional studies and demonstration projects are in progress, as discussed under Future Technologies on page 27 of this report.

## **Promoting the U.S.-Flag International Trade Fleet**

### **Cargo Preference**

The U.S. cargo preference laws support a privately owned commercial U.S.-flag fleet by requiring certain government-impelled, ocean-borne cargo in international trade to be transported by U.S.-flag vessels. The mission of the cargo preference program is to work with the other Federal agencies and with the commercial shipping industry to promote both U.S. Government impelled as well commercial cargo moves for our U.S.-flag fleet. On a daily basis, the Office of Cargo Preference and Domestic Trade monitors compliance with cargo preference laws of a wide array of agencies that impel cargo, such as the Departments of Defense, State, Agriculture, Commerce and their operating components. Cargo preference activities, on average, generate over 15 million revenue tons of cargo annually, or approximately \$1.52 billion of ocean freight revenue for U.S.-flag carriers. By making this core block of cargo available to U.S.-flag vessels engaged in international transportation, the cargo preference program provides revenue which the U.S.-flag owners can use to offset the higher cost of operating under the U.S.-flag.

MARAD optimizes the use of U.S.-flag vessels through partnerships with the Military Surface Deployment and Distribution Command (SDDC) for containerized cargo, and Military Sealift Command (MSC) for break-bulk cargo. Specifically, MARAD reviews ocean shipment bids and foreign-flag vessel waiver requests, in each case working with Department of Defense (DOD) schedulers and others to make optimal use of available U.S.-flag assets as is required by law and regulation. The agency's assistance to military contractors and shippers has increased the percentage of military cargo preference compliance.

When cargo cannot be booked using existing rates and/or services, SDDC issues a request for proposed rates and services referred to as a One Time Only (OTO). In FY 2013, SDDC issued approximately 100 OTO awards representing over \$11 million in cargo revenue, and MARAD assisted in reviewing bids to resolve vessel flag issues 36 times. In FY 2013, MARAD also began assisting SDDC in reviewing cargo preference exemption requests for DOD household goods and privately owned vehicle moves. MARAD reviewed over 376 requests based on non-availability, and was able to locate available U. S. flag carriers for over 40 of those moves.

In support of MSC, MARAD forwarded over 90 urgent or difficult to fulfill charter requirements to the U.S.-flag ocean shipping industry for action. This helped ensure that the U.S.-flag fleet was used to the greatest extent possible. U.S.-flag vessels were able to fulfill 24 of these requirements in FY 2013.

Total U.S.-flag revenue for military cargo shipments was \$1.8 billion in FY 2010, \$2.0 billion in FY 2011, and over \$2.2 billion in FY 2012 (most recent year for which data is available). Much of this cargo was related to military operations in Iraq and Afghanistan. In a typical year, DOD cargoes represent about 55 percent of these shipments; food aid about 30 percent, and other Agencies such as the Export-Import (Ex-Im) Bank, Department of State (DOS) and DOT's Federal Transit Administration total about 15 percent. These cargoes represent from seven percent to more than 50 percent of each U.S.-flag ocean carrier's annual revenues and are vital to retaining vessels under U.S.-flag registry.

### **Export-Import Bank of the United States**

The Ex-Im Bank is the official export credit agency of the United States, whose mission is to assist in financing the export of U.S. goods to international markets. Federal law requires that these cargoes also be carried on U.S.-flag vessels unless U.S.-flag vessels are not available "in sufficient number, in sufficient tonnage capacity, on necessary schedules, or at reasonable rates."

For several years MARAD has been working closely with the Ex-Im Bank to partner our U.S.-flag stakeholders with the Bank and help grow the program and assist the Ex-Im Bank in meeting President Obama's goal of doubling U.S. exports by 2015. By working creatively with all parties, MARAD has

implemented modifications that meet the needs of the Bank and the shippers and require no loss of revenue for the U.S.-flag carriers.

### **Marine War Risk Insurance Program**

MARAD is authorized to provide hull, liability, cargo and life insurance for vessel operations considered to be in the interest of the national defense or national economy and for which commercial insurance is not available on reasonable terms and conditions. The agency may issue (1) insurance for which a risk-based premium is charged and (2) non-premium insurance for vessels under charter operations for MSC, and for which MARAD is indemnified for any losses by the U.S. Navy.

During FY 2013, MARAD did not write any premium-based war risk insurance and wrote a total of \$436.5 million in non-premium war risk coverage on six vessels for DOD. As of September 30, 2013, there were no pending marine war risk claims. There is approximately \$47 million in the Marine War Risk Insurance Fund to reimburse operators covered by premium insurance. DOD has indemnified MARAD for any claims arising under non-premium insurance.

## STRENGTHENING SECURITY

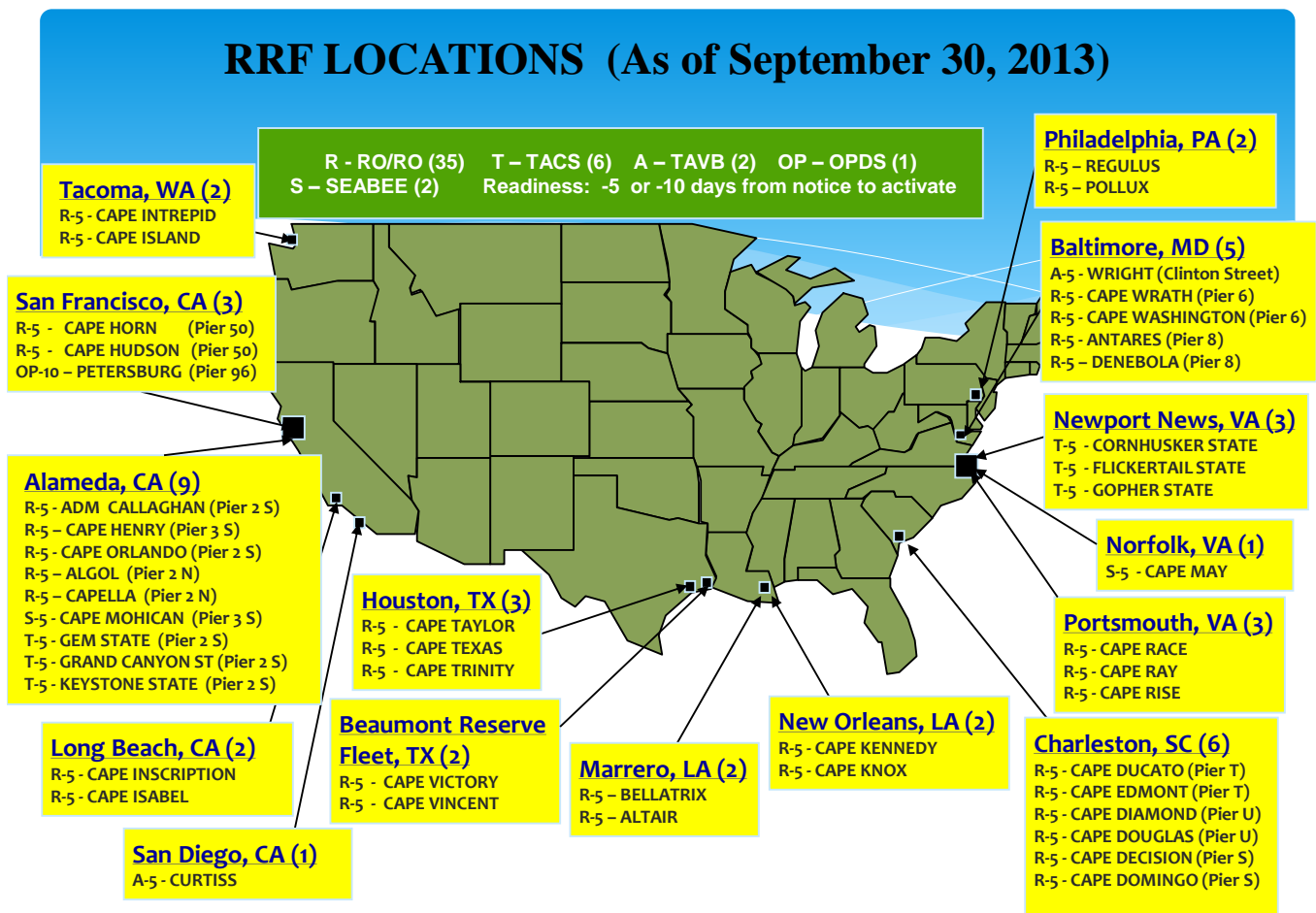
### National Defense Reserve Fleet (NDRF)

The NDRF consists of government owned ships maintained and managed by MARAD. The Fleet contains vessels assigned to the Ready Reserve Force (RRF); vessels on loan to State Maritime Academies; MARAD vessels held for future use; and vessels held for disposal. Also moored at NDRF fleet sites are vessels owned by other Federal agencies, but maintained by MARAD on a reimbursable basis. The majority of these vessels are moored at one of three NDRF anchorages located near Vallejo, CA, Beaumont, TX, and Newport News, VA.

At the end of FY 2013, MARAD maintained 124 vessels. That total includes 109 NDRF ships including 46 RRF ships, 36 ships in retention status, and 27 ships in non-retention status pending disposal. The remaining 15 were custodial vessels belonging to other agencies. A total of 68 ships were located at the NDRF Anchorage facilities, including two RRF, 25 retention, 27 non-retention and 14 custodial vessels. Port facilities held 56 ships, including 44 RRF ships, four retention ships, seven School ships and one custodial vessel.

### Ready Reserve Force (RRF)

The RRF provides surge sealift capacity for the U.S. Armed Forces to move equipment and supplies quickly in the event of a war or national emergency. Since the primary purpose of the RRF is to support DOD, the RRF is funded through the National Defense Sealift Fund. DOD provides annual guidance to validate the requirement that the program maintain 46 ships for the next several years. Because the RRF's commercial-defense structure was determined to be the most efficient sealift management model, consideration is being given to transfer additional DOD ships into the RRF.



## **Outporting**

At the end of FY 2013, 44 of the RRF vessels were kept in reduced operating status at 17 layberth facilities in 15 U.S. ports. Altogether, commercial port facility operators typically received about \$23 million annually for their services. Construction of the Beaumont Layberth Facility, a new government-owned layberth facility designed to handle eight large sealift vessels, continued during the year. In FY 2014, it will open an area on the east bank of the Neches River to industrial support improvements and begin to provide an economic boost to the local community.

## **Maintenance**

Good maintenance practices are essential to reach the RRF program goal of 85 percent readiness. In FY 2013, that goal was exceeded, achieving 93 percent. Readiness is measured in mission-ready ship-days by accumulating the readiness days of all 46 RRF ships. During the year, 15,615 ship-days were provided, which equates to 93 percent of the total days possible.

MARAD spends roughly \$100 million to maintain and repair the RRF at U.S. ship repair facilities and for life cycle maintenance to extend asset life. These funds go directly to U.S. shipyards, marine repair companies and associated supporting industries. U.S. ship managers have contracts to coordinate maintenance activities and operations. The ships' commercial mariner crews are also paid through the RRF to provide further maintenance and oversight during the year.

## **Logistics**

The RRF logistics support program is based on the highly effective resource management system called Nautical Systems-5 (NS-5). MARAD modified the system to be compatible with government funding processes and trained crews in its use. This training has provided substantial benefits to U.S. flag ship operators, since most of them subsequently adopted the system with MARAD's encouragement. Quality assurance inspections and periodic logistics overhauls are done to ensure RRF ship operational sustainability. One logistics overhaul was completed in FY 2013 on SS DENEbola.

## **Activations**

During FY 2013, two RRF vessels and two NDRF school ships were activated for missions or exercises,. The RRF vessel SS WRIGHT and the NDRF ships TS KENNEDY and TS EMPIRE STATE supported Federal Emergency Management Agency (FEMA) requirements for berthing relief workers as part of the Superstorm Sandy Relief effort in the New York City area.

As the damage to the region became apparent, FEMA required accommodations for an influx of relief/recovery personnel and asked MARAD for vessel berthing capacity. MARAD quickly stood up the TS EMPIRE STATE at the State University of New York Maritime College (SUNYMC) to house and feed disaster relief first responders from the Urban Search and Rescue (USAR) and the Disaster Medical Assistant Teams (DMAT). The ship was activated in-place on November 1, 2012, at its normal mooring in the Bronx, which made it uniquely situated for rescue support. The TS KENNEDY, from Massachusetts Maritime Academy at Buzzards Bay, MA, and RRF ship WRIGHT, out of Baltimore, were also activated on November 1, 2013, to provide additional berthing capability. These vessels arrived at the Homeport Pier on Staten Island on November 5, 2012 and remained on station until December 15, 2012.

In total, the three ships provided 37,289 accommodation-days and 72,257 meals to the Red Cross, FEMA Corps, DHS Surge Team, FEMA Community Response teams, Individual Assistance teams, Forest Service, law enforcement and other non-governmental relief organizations.

The RRF vessel SS CURTISS was also activated in June 2013 for the military Exercise DAWN BLITZ, housing over 200 U.S. Marine Corps (USMC) personnel aboard.

In addition to mission activations, MARAD's vessels are routinely "Turbo Activated" by DOD to test the ships' operational readiness. The following seven vessels were Turbo Activated and successfully met DOD's five-day readiness standard.

Vessel	Turbo Activation	Date	On-time
POLLUX	TA 13-1	04 Dec 2012	Yes (4 days 21.7 hrs)
CAPE INSCRIPTION	TA 13-3	24 July 2013	Yes (4 days 10.9 hrs)
CAPE INTREPID	TA 13-5	24 July 2013	Yes (4 days 20.1 hrs)
REGULUS	TA 13-7	23 Sep 2013	Yes (4 days 20.0 hrs)
CAPE DOUGLAS	TA 13-7	23 Sep 2013	Yes (4 days 21.7 hrs)
CAPE TRINITY	TA 13-7	23 Sep 2013	Yes (4 days 21.0 hrs)
CAPE ISABEL	TA 13-7	23 Sep 2013	Yes (4 days 15.5 hrs)

Another three vessels were activated for post-drydock or maintenance sea trials. These sea trials are used to prove the effectiveness of the maintenance program, identify other unknown material deficiencies and evaluate repairs completed in dry dock.

### Missile Defense Agency Support

Two converted RRF ships – PACIFIC COLLECTOR and PACIFIC TRACKER – are funded by the DOD Missile Defense Agency (MDA) via interagency agreement. While the vessels are part of the NDRF, all costs for maintenance, repair, operation and management oversight are funded by the MDA. During FY 2013, the MDA-assigned vessels were activated multiple times to track missiles and high altitude aircraft flights. During the year, the vessels were underway for a combined total of 402 days.

### Mariner Availability

The annual exercise BREAKOUT 2013 was conducted from June 5-14, 2013, to test surge sealift mariner availability. It assessed the simultaneous breakout of the 46 RRF ships and an additional 14 Surge Vessels in MSC's inventory. This exercise was focused on contacting each mariner individually to assess the availability of the assigned crews. In addition, MARAD personnel, Merchant Marine Reservists, Ship Managers and Maritime Union personnel were familiarized with the special circumstances that could develop during an activation of all government owned sealift ships simultaneously.

The exercise showed that while there were sufficient U.S. Merchant Mariners to crew the RRF and MSC Surge ships for a contingency, their numbers have declined and may no longer be adequate to meet both the initial surge and sustained operation of the government sealift fleet for periods greater than six to nine months. Between January of 2010 and the end of FY 2013, 54 "blue water" contract mariner crewed U.S. flagged vessels left the U.S. merchant fleet and five vessels in the MSC Prepositioning Program were placed in reduced operating status, resulting in a loss of over 2,200 mariner jobs. These recent reductions in the number of afloat jobs have decreased the size of the blue water mariner pool to a historic low.

MARAD estimates that as of the end of FY 2013, there were approximately 4,100 licensed officers and 7,600 unlicensed readily available mariners. This number of contract mariners is sufficient to meet the initial sealift surge when government reserve sealift ships are activated, but will severely challenge the Nation's ability to sustain crewing requirements over an extended period that requires the rotation of crew members on both government and commercial vessels. The initial activation of the 60 MARAD and MSC surge vessels requires 1,225 mariners with an additional 1,853 mariners needed for sustained operations. Any further loss of ships with the corresponding mariner jobs will significantly impact the ability to crew the government sealift fleet to meet national security requirements for an extended period



of time (more than 9-12 months) given that seagoing career and progression opportunities for U.S. Merchant Mariners have become increasingly more difficult to sustain.

### **National Defense Reserve Fleet Inventory**

In FY 2013, the total inventory of ships was reduced from 138 to 124 vessels, with the fleet anchorage inventory reduced from 81 to 68 ships, largely through disposal of non-retention vessels. At year's end, 36 vessels were maintained in a retention status for emergency sealift, interim hold, fleet support and logistic support. MARAD also maintained 15 vessels in a custody status for other government organizations including the U.S. Army, U.S. Navy and the U.S. Coast Guard (USCG). The expedited disposal of obsolete ships, combined with appropriate ship maintenance practices, have reduced the number of vessels rated in poor condition from 23 vessels in 2010 down to zero at the end of FY 2013, and have increased the average vessel condition rating from 3.83 to 3.99 (on a 5-point scale) during that same time period.

### **Training Support**

Assigned NDRF and RRF vessels were used for promotions, tours and maritime training. Various organizations were trained on MARAD vessels, ranging from educational institutions, Federal Government, state government and most often U.S. military organizations including USCG, U.S. Army, USMC, Federal Bureau of Investigation (FBI), DHS, Houston Police and Fire Department, Los Angeles Port Police, and Long Beach Special Weapons And Tactics (SWAT) among many others. The training is funded by the organization requesting the ship platform and MARAD is reimbursed for expenses to the degree that costs are incurred.

<b>Coastal Area</b>	<b>Training Events</b>	<b>Participants</b>	<b>Days</b>
<b>Atlantic</b>	33	1173	44
<b>Gulf</b>	28	604	42
<b>Pacific</b>	77	2718	214
<b>Totals</b>	138	4495	300

Notable training sites include the James River Reserve Fleet (JRRF) anchorage facility, where 6013 training days were supported from 77 requests for shipboard and shoreside training during the year. The fleet also scheduled 337 hours of non-boarding helicopter approach and hover training with local Navy squadrons in 93 separate events.

In addition, the NDRF ship CAPE CHALMERS participates in a separate program as a Maritime Law Enforcement and Port Security Training platform with the Federal Law Enforcement Training Center (FLETC) in Charleston, SC. During the year, FLETC cycled 6,283 students through the ship, which is the highest annual count in the program's history.

### **Maritime Command Center**

The Maritime Command Center (MCC) provides maritime domain situational awareness for agency leadership decision making. In FY 2013, the MCC coordinated over 125 events involving nearly 1,500 participants, including regular National Maritime Intelligence Center briefings, monitoring of 12 named storms in the Atlantic and 19 named storms in the Pacific. The MCC also assisted with approximately 50 other MARAD events, teleconferences and video teleconferences in the DOT Headquarters building.

The most significant MCC event for the year was the support provided during the Federal response to Superstorm Sandy. The MCC mobilized watchstanders to monitor the three MARAD vessels assisting in the relief/recovery effort.

### **National Historic Preservation Act Compliance**

MARAD entered into two important Memoranda of Agreement (MOA) in FY 2013. The first, with the California State Office of Historic Preservation, regarded the treatment of the obsolete vessel USNS COMET, which had been determined eligible for listing on the National Register of Historic Places. To honor the ship's memory, a 360-degree virtual tour of USNS COMET was added to the History Section of the MARAD web site. Additionally, MARAD signed an MOA with the National Park Service (NPS) concerning funding for the NPS's Maritime Heritage Grant Program was signed. MARAD will transfer approximately \$7 million to the NPS in support of their grant program.

Staff also continued their work preserving MARAD history. The NDRF program history is being updated to record the accomplishments since the program began in 1946. Vessel data was also migrated to a database that will reside on the History Section of MARAD's website, to allow the public to have better access. A contract was also awarded to conduct 10 oral histories of former MARAD employees. In addition, staff interviewed personnel from three U.S. memorial ships about their organizations and how MARAD has helped them meet their missions' goals, as well as six people in New York involved in the response to Hurricane Sandy. MARAD staff also assisted the NS *Savannah* technical staff on compliance with Section 106 of the National Historic Preservation Act in preparation for the upcoming decommissioning of the ship's power plant. Finally, the USACE submitted two draft National Register nominations for USMMA properties, one for the central quadrangle and the other for the Barstow Mansion, which serves as the USMMA museum.

### **Heritage Asset Management**

In May 2013, the Acting Maritime Administrator signed Maritime Administration Order 330-15 entitled "Management of Maritime Administration Heritage Assets," regarding the care and management of heritage assets. This order clarified agency roles in the management of maritime heritage assets and established standards of care and accountability, resolving a previous audit finding.

In 2013, MARAD facilitated the transfer of 17 heritage assets to two public bodies and facilitated several transfers of unused parts and materials from NDRF vessels to 11 qualified memorial ships. A large number of these transfers occurred at a July MARAD-sponsored event in Alameda, California, that was patronized by six memorial ship organizations. Additionally, seven heritage assets were placed on loan to qualified organizations.

MARAD also awarded a contract to clean and repair 78 model ships on display or in storage at DOT Headquarters. These models, many of which are over 50 years old, have been protected and conserved so that they can continue to serve as an important illustration of the agency's heritage.

Finally, maritime heritage assets at field organization locations were consolidated at a single storage facility, mostly by moving a large number of SBRF items to a MARAD-controlled warehouse in Virginia. Plans are being made to construct a separate space for these heritage assets within the warehouse in 2014 to meet Federal curatorial standards for stable object storage.

### **Maritime Security Program and Voluntary Intermodal Sealift Agreement (VISA)**

The security of our Nation continues to rely heavily on U.S. commercial sealift capacity. The National Security Sealift Policy of October 5, 1989, states that a vital objective of the Nation is to ensure that

sufficient military and civil maritime resources will be available to meet defense deployment and essential economic requirements.

The primary way MARAD meets this objective is by administering the Maritime Security Program (MSP) and Voluntary Intermodal Sealift Agreement (VISA) program. In return for assured government access to their vessels, MSP vessel operators receive financial support to partially offset the higher operating costs of keeping these vessels registered under the U.S.-flag, and receive priority consideration for DOD peacetime cargoes. VISA is a sealift readiness program approved by the Secretary of Defense which compliments the MSP.

The MSP and VISA programs are designed to provide a coordinated seamless transition from peace to war or national emergency while these vessels continue serving in the commerce of the United States. More than 90 percent of all U.S.-flag dry cargo ships are enrolled, obligating more than two-thirds of the carrying capacity of the entire commercial U.S.-flag dry cargo fleet to meet national security needs when necessary. As of September 30, 2013, there were 60 ships enrolled in the MSP fleet, including 37 containerships, 17 Roll-On/Roll-Off (RO/RO) vessels, four heavy lift vessels and two tankers meeting the required DOD capabilities.

Because of vessels entering and departing the MSP, the fleet's militarily-useful RO/RO capacity decreased by 47,232 square feet while heavy lift capacity increased by 58,928 square feet. MSP ships continued to support U.S. troops in Afghanistan by transporting military cargoes. MSP ships also continued to employ approximately 2,400 mariners, maintaining the labor pool that is critical to national security crewing requirements.

The MSP also provides support for U.S.-flag tankers operating in international trade. These tankers, as well as others, participated in the Voluntary Tanker Agreement (VTA) during FY 2013. Like VISA, the VTA was designed to make commercial vessels available to support DOD contingency operations.

Enrolling in the VISA program satisfies the requirement for MSP operators to enroll in a DOD-approved Emergency Preparedness Program. MSP participants commit 100 percent of MSP vessel capacity to the VISA program. MSP participation represents more than 75 percent of VISA capacity commitments. The remaining commitments are provided by other U.S.-flag vessels operating in U.S. domestic trade, international trade, or in carriage of commercial and DOD preference cargoes. As of September 30, 2013, there were 116 ships enrolled in the VISA program.

Together, MSP and VISA have modernized the U.S.-flag commercial sealift fleet, increased sealift capacity and improved the mix of vessels that are readily available for military use.

## **The Fight Against Piracy**

There was a reduced number of pirate attacks off Somalia in FY 2013. The primary contributors to this downward trend are the actions taken by industry to implement Best Management Practices – which MARAD assisted in developing for U.S. Flag carriers, which include employment of armed security teams and naval protection. However, there has been an increase in armed attacks against vessels in the Gulf of Guinea area. Over 30 reported attacks have been reported including a successful kidnapping of two seafarers from a U.S. flagged offshore supply boat. The pair was held for almost three weeks before being released. MARAD continues to work with U.S.-flag carriers in anti-piracy efforts, addressing the Gulf of Guinea area and threats in other areas.

### **Anti-Piracy Assistance Team (APAT)**

With assistance from MSC and the Naval Criminal Investigative Service (NCIS), MARAD developed the APAT concept during FY 2009. Under APAT, U.S.-flag commercial ship owners can voluntarily contact MARAD to conduct in-port visits. NICS and MARAD experts assess physical security vulnerabilities to piracy and provide guidance to ship crews on “best practices” against piracy prior to

transiting piracy danger areas. During FY 2013, 19 APAT visits were conducted, for a total of 83 visits since the program's inception in 2009.

### **Mariner Counter-Piracy Training**

As required by the Piracy Suppression Act of 2012, MARAD led an interagency effort to certify a training curriculum for U.S. Merchant Mariners on the use of force against pirates, and survival in the event of capture by pirates. The curriculum was completed in FY 2014, in coordination with the DOD and DHS, and signed by the Secretary of Transportation on October 21, 2013. It is posted on the MARAD website, and has also been provided to the Federal and State Maritime Academies and the six maritime union training facilities.

### **Cruise Vessel Security and Safety Act of 2010**

In accordance with the Cruise Vessel Security and Safety Act 2010 (CVSSA), MARAD collaborated with USCG and FBI to develop the model course "Crime Prevention, Detection, Evidence Preservation and Reporting on Cruise Vessels."

In FY13, MARAD promulgated a draft policy for the certification of training providers who use the model course. The policy will be completed and implemented during FY14.

### **Maritime Domain Awareness**

Commercial mobility begins with situational awareness of the Marine Transportation System. In support of the national maritime domain awareness effort, MARAD serves as the Executive Agent for DOT on Interagency Maritime Security Initiatives and coordinator for Maritime Domain Awareness (MDA) issues and related outreach. During FY 2013, MARAD worked with interagency partners to enhance mutual support and cooperation, and was an active participant in international and interagency exercises of the Maritime Operational Threat Response (MOTR) process.

### **Maritime Security Training Program**

During FY 2013, MARAD continued to employ Det Norske Veritas (DNV), a USCG-accepted Quality Standards System (QSS) organization, to evaluate and certify maritime security training courses submitted for approval under the joint Maritime Transportation Security Act (MTSA) Section 109 program. DNV reviews applications and issues approvals on behalf of MARAD, USCG, or both, depending on the specific training involved. The goal of this voluntary certification program is to promote high quality, uniform training of maritime security professionals.

### **Cyber Security**

In FY 2013, MARAD sponsored development by the Ship Operations Cooperative Program (SOCP) of a training DVD entitled Cyber Security/Information Systems Security for Merchant Mariners. The DVD will be ready for release in FY 2014. MARAD also sponsored development by the John A. Volpe National Transportation Systems Center of a white paper on potential Industrial Control System (ICS) security risks in the maritime domain. The report was completed and distributed to maritime industry stakeholders in July 2013.

## PROTECTING THE ENVIRONMENT

### Ship Recycling

Over the past four years, MARAD has dramatically improved the performance of one of its most visible missions: the storage and final disposal of America's aging ships. Over the preceding decade, the agency had successfully removed and disposed of scores of vessels at reserve fleet sites in Texas and Virginia, but progress in California was stalled until 2009, with 57 obsolete ships awaiting disposal in MARAD's Suisun Bay Reserve Fleet (SBRF) near Benicia, CA. These ships posed environmental threats due to peeling paint and discharge of petroleum products and other polluting substances contained aboard. The best way to fix the situation was to remove the ships from the site, but full compliance with environmental regulations had prevented MARAD from disposing of these ships since January 2007. The issues included the use of best available in-water hull cleaning technology to control the transfer of non-indigenous marine species, the cleaning of exfoliating paint from ships awaiting disposal, and the Federal Clean Water Act that regulates discharges into State waters.

MARAD sought a solution that would preserve the environment, allow for the disposal of the ships, and not be solely reactionary. A settlement conference with a coalition of local environmental groups took place in San Francisco, CA, in February 2009. In July 2009, they proposed a Consent Decree which a judge approved on April, 14, 2010.

By then, MARAD had already removed five SBRF vessels for disposal. Under the Consent Decree, MARAD agreed to remove 10 more ships in FY 2010. MARAD showed good faith by removing for disposal 11 obsolete vessels in FY 2010, 15 vessels in FY 2011, 10 vessels in FY 2012, and eight more in FY 2013. By the end of FY 2013, MARAD was 12 vessels and more than two years ahead of the Consent Decree schedule, with 44 of the 57 SBRF non-retention vessels cited in the Consent Decree removed for disposal.

### Ready Reserve Force/National Defense Reserve Fleet Environmental Compliance

National Pollution Discharge Elimination System (NPDES) permit compliance, Storm Water Pollution Prevention Plan (SWPPP) execution, and Resource Conservation and Recovery Act (RCRA)-compliant 90-day collection of hazardous waste continued through 2013. The FY 2013 environment-related workload increased slightly at Beaumont Reserve Fleet (BRF) and the JRRF due to SWPPP implementation, while SBRF workload decreased due to the substantial downsizing of the non-retention fleet. Cost tracking and metrics reporting continued to improve and will improve more in FY 2014 when reporting is automated in the NS-5 management system.

### Ballast Water Treatment Technology and Invasive Species

In order to ensure that the U.S. maritime industry has access to domestic ballast water management system (BWMS) testing facilities, over the past several years MARAD has supported development of three fully functioning test platforms – the Maritime Environmental Resource Center (MERC), in the Port of Baltimore, MD; the TS GOLDEN BEAR Facility (GBF), in the Carquinez Strait, CA; and the Great Ships Initiative (GSI), in the Port of Superior, WI. These three facilities form the backbone of the Nation's independent ballast water treatment technology testing program in the United States, and are instrumental in the timely implementation of the USCG's ballast water discharge final rule.

The process of establishing the test platforms began in 2010. Initial efforts were directed toward developing platforms capable of testing to International Maritime Organization (IMO) standards. Subsequent focus has been on upgrading that capability to test to USCG and EPA standards. Two of the three facilities have thus far received USCG approval to operate as Independent Laboratories for BWMS testing. During 2013 additional efforts were made to move the third facility – TS GOLDEN BEAR –



towards approval. Because the USCG does not provide financial assistance to develop these facilities, MARAD's assistance has been vital to upgrading these facilities to serve as independent testing laboratories.

In 2013, GSI and MERC conducted three bench-scale tests of promising ballast water treatments – one land-based test and two shipboard tests – and five research experiments associated with ballast water. The GBF upgrades continued, and the facility engaged in research and development testing of a single BWMS for most of FY 2013.

During FY 2013, MARAD also partnered with the EPA in support of the Great Lakes Restoration Initiative. This resulted in the following fresh-water verification testing of BWMS by the GSI:

- Proof of concept tests on proposed ultrasound processes
- Land-based trials of a range of at least six BWMS filter systems to determine operational and biological efficacy in fresh water
- Bench studies on the nature of and dose response dynamics of ultraviolet (UV) effects on cultured freshwater organisms to validate industry claims that UV treatment can reliably interrupt reproductive capacity of treated organisms

In addition to ballast water, hull bio-fouling is another potentially significant vector for the introduction of nonindigenous aquatic species. The urgency of this issue is evidenced by the rapid development of the *Guidelines for the Control and Management of Ships' Biofouling to Minimize the Transfer of Invasive Aquatic Species*, which was approved by the IMO in July 2011. As a result of this and other U.S. activity, MARAD began to expand its efforts related to aquatic invasive species. The process of developing methods to quantify fouling levels on active ships and to determine the effectiveness of various hull husbandry techniques began in 2011 and continued through 2013. A comparative analysis of fouling survey efficacy between divers and Remotely Operated Vehicles is underway using different vessel types with a particular emphasis on niche areas (i.e., hull recesses such as sea chests) that are often the most susceptible to fouling.

## **Future Technologies**

Like aquatic invasive species, port and vessel air emissions have emerged as serious challenges for marine transportation. MARAD's efforts to encourage technological solutions made great progress in FY 2013.

As discussed elsewhere in this report, additional studies and demonstration projects are in progress.

## **Energy and Environmental Studies**

In 2013, MARAD continued its investigation of the use of natural gas as a maritime fuel. As an outgrowth of its previous study demonstrating the feasibility of repowering Great Lakes vessels with liquefied natural gas (LNG), and of consultations with a task force of industry and other Federal agencies, MARAD undertook a study focusing on several specific challenges, including bunkering, land-side infrastructure and training, that need to be addressed in order to make LNG use for vessel propulsion a reality. The study was finalized in August 2014.

In addition, in September 2013 MARAD entered into a cooperative agreement with Horizon Lines to fund a portion of the cost of converting an ocean-going container ship to LNG propulsion. The conversion is scheduled to be completed in late summer of 2015, with emissions testing through late summer of 2016.

In an effort to understand net carbon impacts of using LNG as a propulsion fuel, MARAD funded a “well-to-hull” total fuel cycle analysis. The research will identify carbon emissions associated with



LNG transport via various pathways and ends use as a vessel fuel. The research was completed in the spring of 2014 and the report released in August 2014.

In 2013, MARAD continued to further refine a web-based version of the Geospatial Intermodal Freight Transport (GIFT) tool called WebGIFT. WebGIFT is designed to address concerns associated with user interface and modal analyses, and to allow users to determine optimal multimodal freight pathways based on energy consumption and emissions. WebGIFT is the first public tool of its kind, geared toward transportation planners and government agencies. A public release was completed in FY 2014.

### **Alternative Fuels**

In FY 2011, MARAD began testing a new generation of renewable “drop-in” fuels to determine their potential viability for use in commercial marine vessels. The term “drop-in” indicates that major modifications to tanks, piping and engines are not required to use the fuel. In late 2012, MARAD conducted tests using sugar-based hydro-treated renewable diesel (HRD) fuel at sea and in port onboard TS STATE OF MICHIGAN. The tests included operational and emission tests, and underwater radiated sound measurements. MARAD reviewed the data during FY 2013, which showed these new fuels to be promising substitutes for ultra-low sulfur diesel (ULSD) fuel in commercial vessel operations. In FY 2013, MARAD also entered into a cooperative agreement with Scripps Institute of Oceanography to conduct performance and emission tests of blended fuel and an additional neat renewable fuel.<sup>9</sup>

Also during FY 2013, MARAD and DOE collaborated to assess the potential for using fuel cells to power vessels in port to reduce air emissions. The effort is a public private collaboration with the maritime industry, academia and state and Federal government. Detailed designs and other preliminary work were accomplished in FY 2013, with the actual demonstration likely to occur in early FY 2015.

### **National Environmental Policy Act (NEPA)**

As a member of DOT’s environmental review team, MARAD’s Office of Environment continues to evaluate TIGER grant and small shipyard grant applications. In 2013, DOT/MARAD awarded 12 small shipyard grants and eight TIGER grants. In addition to grant work, MARAD completed an environmental assessment for the Port of Guam Improvement Enterprise Program, a \$50 million port renovation project.

### **Arctic Transportation Issues**

MARAD provided high level support to the White House National Security Staff (NSS) in the release of the White House’s Arctic Strategy in May 2013, and continues to provide support in the negotiations of the NSS’s Arctic implementation plan, was released to the public early in 2014.

The Agency also provided high-level technical support to the Interagency Ocean Policy Task Force, as it examined the President’s 2012 and 2013 revised Arctic Region Policy Directive and the National Security Policy Directive/Homeland Security Policy Directive 66/25 on Arctic policy.

During FY 2013, MARAD continued to work with the DOS Office of Polar Affairs on building a maritime infrastructure database for the Arctic region and to support the Arctic Council. This action was recommended in the Arctic Council’s Arctic Marine Shipping Assessment (AMSA), which guides the Arctic Council and other Federal agencies in building the transportation system in the Arctic region.

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<sup>9</sup> “Neat renewable fuel” is defined as a renewable fuel to which 1% or less of gasoline (as defined in this section) or diesel fuel has been added. Source: “Electronic Code of Federal Regulations,” U.S. Government Printing Office. Available at < <http://www.ecfr.gov/cgi-bin/text-idx?rgn=div6&node=40:17.0.1.1.9.13> >.

MARAD is also partnering with the International Organization for Standardization (ISO) and the IMO to comprehensively review the development of a mandatory Polar Code for shipping. The code covers safety matters related to design, construction, operation of vessels, search and rescue issues, and critical environmental issues. This work will continue for several years.

MARAD achieved environmental successes such as those showcased here by providing expert analysis of current conditions and related legal ramifications, a clear vision for the future and cohesive organizational plans to keep moving the agency, its programs, and its employees forward.

## ENHANCING MARITIME SAFETY

### Maritime Safety Rules, Regulations and Guidelines

MARAD assists in the development of consistent, prudent national and international requirements relating to maritime safety by participation in a variety of regulatory development organizations. With its expertise in ship design, engineering, operations, maintenance and repair, and capitalizing on its close relationship with the marine transportation community, MARAD is a member of the U.S. delegation to the Maritime Safety Committee (MSC) of the IMO. In 2013, MARAD staff participated in MSC meetings focusing on passenger ship safety, an important IMO focus area in light of recent cruise vessel safety problems.

In 2013, MARAD also played a leading role in marine safety-related efforts of the ISO Technical Committee on Ships and Maritime Technology and the American Society for Testing and Materials Committee on Ships and Marine Technology. MARAD personnel chaired both Committees. These efforts resulted in development of new standards critical to maritime operations, addressing issues such as marine incinerators, joiner bulkhead load testing, and small vessel inclining. These standards were published in FY 2014.

### Outreach to Future Marine Industry Leaders

Although the United States is a maritime Nation, the American public is for the most part unaware of the vitally important role maritime commerce plays in the country's economic and national security, and the opportunities for careers in the maritime field. As part of its mission to develop, foster and promote the U.S. Merchant Marine, MARAD actively participates in Science, Technology, Engineering and Math (STEM) outreach to schools around the country, with particular focus on the maritime sector. MARAD also strives to inspire future generations of naval architects and marine engineers, by co-sponsoring with the Society of Naval Architects and Marine Engineers (SNAME) an annual ship design competition. The purpose is to consider emerging issues in marine design and engineering, and to encourage and develop engineering and naval architecture expertise in students from U.S. and international colleges and universities.

### Collaborative Safety Efforts

As a member of the DOT Safety Council during FY 2013, MARAD actively shared maritime safety information with other Operating Administrations, and provided maritime perspectives on safety issues such as safety management systems, hours of service requirements, and safety culture.

As a member of the Ship Operations Cooperative Program (SOCP), which includes dozens of U.S. vessel operating companies, government agencies, union organizations and other industry representatives, MARAD helps promote safe commercial operations through the development of training products and initiatives that support the maritime industry. Products released in 2013 include training DVDs entitled *I Choose NOT to Look the Other Way*, on safety culture, and *Mariner Information Systems Security Awareness*; and two reports entitled *Commercial Diesel Marine Engines (Category 3) Technical Analysis and Engineering Assessment of Exhaust Gas Scrubber Technologies*.

## EDUCATING THE NEXT GENERATION AND WORKFORCE DEVELOPMENT

The Secretary of Transportation has a statutory mission to provide education and training for the safe and efficient operation of the U.S. Merchant Marine. This mission is fulfilled through the Maritime Administration's educational programs offered at U.S. Merchant Marine Academy (USMMA) and the six State Maritime Academies.

### **The United States Merchant Marine Academy**

A major point of pride for DOT is its flagship for maritime education and leadership training. Established by Congress in 1936, USMMA occupies an 82-acre campus on Long Island Sound at Kings Point, NY. The academy rose in prominence during World War II and has since been globally recognized as one of the world's foremost institutions of maritime education for licensed merchant marine officers.



The U.S. Merchant Marine Academy's infrastructure includes six Midshipman dormitories, seven academic buildings, science and engineering laboratories, high-tech ship's bridge and engine room simulators, athletics facilities and extensive waterfront training resources.

USMMA is a Federally-funded, regimented institution of higher education that offers a four-year undergraduate program that includes nearly one full year of sea time working aboard merchant and/or military cargo vessels. In addition to the baccalaureate degree in one of five maritime undergraduate majors<sup>10</sup>, each graduate also earns a license to sail as a Third Mate and/or Third Assistant Engineer in the U.S. Merchant Marine, and a commission as an Ensign in the Strategic Sealift Officer Program of the U.S. Navy Reserve.

Graduates are required to work in the U.S. maritime industry for a minimum of five years, and to maintain their commission in the U.S. Navy Reserve during their work afloat. Some graduates choose instead to serve on active duty in the U.S. Armed Forces or in the uniformed service of the National Oceanic and Atmospheric Administration (NOAA) or Public Health Service for five years, which satisfies both commitments.

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<sup>10</sup> USMMA majors include Marine Transportation, Logistics and Intermodal Transportation, Marine Engineering, Marine Engineering Systems, and Marine Engineering and Shipyard Management

The Class of 2013 graduated on June 22, 2013, with 27 women and 174 men. The 201 graduates hailed from 37 U.S. States, Malaysia, Panama, Singapore and South Korea. Ninety-eight members of the class earned licenses as Third Mates, and 103 were licensed as Third Assistant Engineers.<sup>11</sup> Forty-nine members of the class accepted active-duty commissions in the Armed Forces. One hundred and ten members of the class spent all or part of their sea year aboard forward-deployed Navy auxiliary vessels and/or aboard commercial vessels carrying military supplies for operations in Afghanistan and Iraq.

### **USMMA Strategic Plan**

The five-year USMMA Strategic Plan (2012-2017) serves as a compass for USMMA to educate and graduate licensed merchant mariners and leaders of exemplary character who can meet the current and future needs of the nation. In 2013, USMMA worked to establish action items and objectives which would move the institution forward in achieving its strategic goals. To execute the plan, campus-based implementation teams were established under the five goal areas and immediately began brainstorming to list near-term, medium-term and long-term actions and target dates.

With a year of strategic plan action items now implemented, the Academy has realized advances in these five goal areas:

- **Cutting-Edge Programs:** USMMA was the first maritime academy to achieve USCG approval for a new curriculum mandated by recent changes in Standards of Training, Certification and Watchkeeping (STCW) requirements.
- **Sound Leadership:** All vacant management-level positions were filled, putting in place a stable, talented and diverse team of leaders to guide USMMA forward.
- **Dynamic Campus Culture:** A new food service contract enhanced the quality of food served to the Regiment, improving Midshipmen morale.
- **First-Class Infrastructure:** Rogers Hall barracks renovation was completed, giving Midshipmen a renewed living environment and work began on the Cleveland Hall barracks.
- **Meaningful Communication and Partnerships:** The first full USMMA Advisory Board meeting was led by then-Secretary of Transportation Ray LaHood and attended by MARAD leadership in order to establish a relationship with an organization outside the DOT lifelines to facilitate future critique and review of Academy curriculum and midshipman quality of life.

To complement the anecdotal evidence that USMMA is achieving its goals, leadership baselined its Strategic Plan performance measures in 2013, setting a benchmark against which leadership will be able to see trends develop and determine metrically whether USMMA is meeting its goals. In addition to collecting data in 2014, all performance measures will be reviewed to ascertain whether they are still valid. The intent is to add, delete or revise performance measures as necessary in order to obtain picture clear assessment of USMMA progress in achieving its stated mission.

### **USMMA Capital Improvement Plan**

Beginning in 2009, a series of infrastructure improvements were begun to provide Midshipmen the tools and resources necessary for a top-notch education. Five of six barracks have been renovated, with only Cleveland Hall remaining. The Delano Hall Dining Facility Phase I renovation is complete, with all kitchen equipment now in place, new refrigerators and freezers installed, and water system upgraded. Land Hall, the Midshipman activities building, was also renovated, including a new roof. The new Mallory Pier is in place and was completed in time to welcome T/V KINGS POINTER back to campus in June 2014. Infrastructure upgrades to the electric power system and campus water main are also in

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<sup>11</sup> While all USMMA graduates earn licenses, only U. S. citizens can receive USCG licenses. Foreign students take the USCG license exam and receive a USCG letter that is recognized by their home countries towards receiving a domestic and international training certificate.



progress. From 2009 until the close of FY 2013, more than \$71 million was appropriated for capital improvements to the buildings, facilities and physical plant of USMMA.

## State Maritime Academies

### The Maritime Academies Continuing Their Great Traditions

In addition to operating USMMA, MARAD provides annual direct financial support and training vessels to the six State Maritime Academies (SMAs): California Maritime Academy, Vallejo, CA; Maine Maritime Academy, Castine, ME; Massachusetts Maritime Academy, Buzzards Bay, MA; State University of New York Maritime College, Fort Schuyler, NY; Texas A&M Maritime Academy, Galveston, TX; and Great Lakes Maritime Academy, Traverse City, MI. These unique academic institutions provide students with high quality education and the necessary training to become USCG-credentialed Merchant Marine Officers. Annually, the six SMA's produce over 650 new mariners with USCG credentials with unlimited license endorsements. These graduates ensure a consistent supply of capable, highly-trained U.S. Merchant Mariners, available to crew U.S.-flag vessels that meet the economic needs of the nation and provide strategic mobility.

In addition to providing direct financial support and training vessels to the SMAs, MARAD administers the Student Incentive Payment (SIP) Program, which provides \$8,000 annually to selected students to offset the cost of uniforms, books, subsistence and tuition at SMAs in return for a service obligation. The SIP program ensures enrollment of graduates into the U.S. Navy Strategic Sealift Reserve program which helps guarantee sufficient mariners to crew surge vessels for contingency operations.

#### CLASS OF 2013

Source: State Maritime Academies/USMMA

ACADEMY	TOTAL GRADS	TOTAL LICENSE GRADS	NON-LICENSE GRADS	EMPLOYMENT DATA - LICENSE GRADUATES ONLY					
				MARITIME AFLOAT	MARITIME ASHORE	U.S. ARMED FORCES	NON-MARITIME	GRAD SCHOOL	OTHER/ UNKNOWN
CALIFORNIA	161	113	48	97	2	5	3	2	4
MAINE	132	73	59	68	2	1	2	0	0
MICHIGAN	41	41	0	41	0	0	0	0	0
MASS	325	125	200	95	1	1	6	0	22
TEXAS	337	63	274	40	1	0	0	2	20
SUNY	396	243	153	161	30	14	34	0	4
<b>TOTAL SMA **</b>	<b>1392</b>	<b>658</b>	<b>734</b>	<b>502</b>	<b>36</b>	<b>21</b>	<b>45</b>	<b>4</b>	<b>50</b>
<b>USMMA *</b>	<b>194</b>	<b>194</b>	<b>0</b>	<b>143</b>	<b>1</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>SMA** &amp; KP *</b>	<b>1,586</b>	<b>852</b>	<b>734</b>	<b>645</b>	<b>37</b>	<b>70</b>	<b>45</b>	<b>4</b>	<b>51</b>

\*USMMA (KP - Undergraduates Only; U.S. Grads, plus 4 International Students for Maritime Afloat)

\*\* SMA (Undergraduate and Graduate)

In exchange for Federal financial support, the SMAs must meet certain requirements regarding courses offered and educational standards in navigation, marine engineering, the operation and maintenance of vessels and equipment, and innovations introduced to the U.S. Merchant Marine.

In FY 2013, MARAD's direct SMA support for license students totaled \$3.412 million. The total Federal Student Incentive Payment (SIP) Program, and MARAD direct payment support for fuel and school ship maintenance and repair was \$16.206 million. In September 2013, there were 3,936 license students enrolled in the six

SMAs yielding an annual Federal cost per licensed student of \$4,117.

The maritime academies are the Nation's principal source of entry-level merchant marine officers and an integral component of defense readiness. They support national security policy by providing a guaranteed source of U.S. Merchant Marine officers to meet crewing needs for domestic and international commerce.

The maritime industry continues to present a promising future for the men and women graduating from maritime academies. Graduates from all six SMAs and USMMA continue to be regarded as some of the

most highly-trained seafarers entering the domestic and international job markets. New opportunities are increasing internationally as the worldwide shortage of licensed officers continues. The SMAs project that 99 percent of licensed graduates seeking jobs in the maritime industry will find employment.

### **NDRF Schoolships**



TS GOLDEN BEAR and TS STATE OF MAINE meet underway on a summer training cruise.

To support maritime education, MARAD loans government-owned and maintained school ships under custodial agreements to each of the six SMAs, and provides maintenance funds, which help to offset the increasing cost of training USCG-qualified merchant mariner officers. Three out of every four licensed Merchant Marine officers graduate from these six SMAs every year, supporting the U.S. Merchant Marine, the U.S. maritime industry, DOD and DHS.

The training ships are berthed at the SMAs where they also serve as pier-side laboratories for practical training during the remainder of the academic year and are on stand-by to carry relief supplies and shelter emergency responders during natural disasters. They embark on their training cruises for two to four months each year. The training ships average 36 years old, and in need of a recapitalization plan to support their continued availability or replacement.

**TS GOLDEN BEAR** – California Maritime Academy, Vallejo, CA: The vessel is 25 years old. Recapitalization needs include new propulsion and electrical generation diesel engines and upgrades to the vessel's berthing and habitability compartments.

**TS STATE of MAINE** – Maine Maritime Academy, Castine, ME: The ship is 24 years old. Recapitalization needs include new propulsion engines and electrical generation diesel engines, and upgrades and expansion to the vessel's berthing and habitability compartments.

**TS GENERAL RUDDER** – Texas Maritime Academy, Galveston, TX: The vessel is 30 years old and is undergoing an upgrade to accommodate additional operational training requirements.

**TS STATE of MICHIGAN** – Great Lakes Maritime Academy, Traverse City, MI: The vessel is 29 years old and operates almost exclusively in the Great Lakes. It was converted in 2004 and does not require any major upgrades or modifications in the near-term.

**TS KENNEDY** – Massachusetts Maritime Academy, Buzzards Bay, MA: The vessel is a 47 year old steam ship that was renovated in 2003, giving it a 20-year service life extension. A \$10 million upgrade was accomplished in 2009 to expand the berthing capacity. It is one of the largest training ships, berthing 600 cadets.

**TS EMPIRE STATE** – State University of New York (SUNY) Maritime College, Bronx, NY: The vessel is a 52 year old steam ship that was converted in 1989 and is beyond its projected 20-year extended service life. It is the largest training ship, berthing 650 cadets.

## Fire Training Center

In addition to USMMA, MARAD operates a Fire Training Center (FTC) near Toledo, OH, where merchant mariners and fire fighters are trained in the prevention and suppression of shipboard and dock-side fires. During FY 2013, the FTC taught 400 students a wide array of courses, ranging from the core Basic and Advanced Fire Fighting course for mariners and Navy reservists, to specific training for first responders.

During 2013, the FTC received funding for new operating equipment, roof repair, installation of fire pumps, air conditioning unit, and sludge removal from the oil water separator. The Center also received a Physical Security Assessment Audit by DOT, and an Environmental Conformation Audit by MARAD's Office of Environment.

Also during FY 2013, the FTC completed its Spill Prevention Control and Countermeasures Plan, which is required every five years. The Fire Training Center is the only USCG-approved facility in the Great Lakes Region offering this type of training to U.S. Merchant Mariners.



Maritime Administration's Fire Training Center near Toledo, Ohio

## COLLABORATING INTERNATIONALLY

### **Oslo Maritime Summit**

MARAD staff participated in the Third Annual Maritime Summit, held in Oslo, Norway, on June 5, 2013, and co-hosted by the Norwegian Ministry of Trade and Industry, the Norwegian Ship Owners' Association and the International Chamber of Shipping. The Summit brought together high-level government representatives from major shipping countries. The objective of the Summit was to "create a dynamic arena for dialogue between policymakers from key maritime nations and industry." The major themes of the Summit included sustainable shipping and opportunities and challenges in the Arctic. The IMO Secretary-General made the following main point, "In order to realize our sustainability goals, we must not merely focus on vessels, but also on other supporting infrastructure and activities that support vessels, such as ports."

### **Bilateral Exchange on Short Sea Shipping with the European Union's (EU) Directorate General for Mobility and Transport (DG-MOVE) under the U.S.-EU Memorandum of Cooperation**

In July 2011, the Maritime Administrator and the DG-MOVE Director-General signed a Memorandum of Cooperation on marine highways and short sea shipping. Consultations to date have demonstrated that while the EU has actively expanded short sea routes for 20 years, our innovative approach to promoting the use of marine highways has placed us in the lead on certain initiatives, such as developing performance measures for public benefits and facilitating multi-jurisdictional public-private partnerships focused on overcoming barriers to service development. A June 2013 meeting at DOT Headquarters underscored the need for continued dialogue to address passenger ship safety; ship recycling; foreign acquisitions from Asia; Arctic shipping and the impact on the environment and indigenous peoples; search and rescue capabilities; anti-piracy measures; and sharing supply chain and logistics information within a "single-window."

### **Inter-American Committee on Ports of the Organization of American States**

MARAD's specialized focus in the Organization of American States' (OAS) Inter-American Committee on Ports (CIP) is port safety and security. The effort in that area during 2013 included an essay in the OAS CIP magazine on emergency response to natural disasters, a meeting in Cartagena, Colombia, on practicing a safety culture in the maritime arena, and developing a DOS-funded three-day workshop on maritime safety, scheduled for April 2014. MARAD has also been asked to develop a proposal for an OAS-sponsored hemisphere-wide workshop on port safety.

### **Expanded Association of Southeast Asian Nations (ASEAN) Seafarer Training (EAST) Program**

MARAD took the lead to organize a workshop in September 2013, featuring top-tier speakers who focused their presentations on before, during and after a hostage-taking event at sea. All of the ASEAN countries sent delegates to the EAST meetings in Manila, Philippines. The meetings were also attended by post-captivity seafarers from the ASEAN region. Thirty students from ASEAN region maritime academies and the U.S. attended the workshop, which was followed by the first annual ASEAN maritime academy cadet exchange at the Maritime Academy of Asia and the Pacific.

### **Green Port Technologies Reverse Trade Mission**

The Green Port Technologies Reverse Trade Mission (RTM) offered a unique opportunity to bring together policy experts, green technology manufacturing companies and consultancy firms with Chinese decision makers for the purpose of encouraging exports, helping China overcome its environmental

challenges and strengthening U.S.-China relations. The delegates had one-on-one meetings with 16 U.S. firms that specialize in technologies and services with the ability to assist China's development of infrastructure for maritime operations and communications; environmental protection; emissions reductions and energy efficiency. The Chinese government and port authorities are investing heavily in energy conservation and efficiency programs, and in emissions reduction programs to verify fuel consumption levels on new and existing commercial vessels. These efforts are part of their strategic efforts to move from an export led economy to more of a domestic consumption-based economy.

### **U.S.-China Ports and Inland Waterways Conference**

MARAD hosted a Ports and Inland Waterways conference on July 18, 2013, at the Western Gulf Maritime Association in Houston, TX, with Chinese government officials and port executives, and U.S. industry representatives, to discuss infrastructure funding programs; the U.S. inland waterway system; the development of water transport in China; the development of shore-based power technology in China; intra-coastal waterways and ship channels in Texas; the Houston Harbor Safety Committee's approach to intra-coastal waterway management; technology and standards of Chinese green port construction; the Saint Lawrence Seaway and the Draft Information System, the NAV2025 and real-time buoy charting by the U.S. Army Corps of Engineers; dredging challenges in the U.S.; wharf technology in China; and the Three Gorges Reservoir.

### **U.S.-China Inland Waterways Exchange**

On September 12, 2013, MARAD hosted an information exchange, in Washington, DC, with Chinese government officials to discuss the U.S. inland waterway system and the role of MARAD; the interagency relationship of managing inland waterways; China's development of high grade construction techniques; the deep-draft channel project of the Yangtze Estuary; the U.S. Army Corps of Engineers' navigation program; and the Water Resources & Development Act of 2013.

### **Agricultural Exports Presentation to the Government of Brazil**

Brazil's Special Ports Secretariat, a Ministry-level body, invited MARAD to present on "U.S. Shipping of Agricultural Exports" at its 8<sup>th</sup> Annual EXPOLOG National Logistics Fair. The presentation described how the U.S. handles the transportation of imported and exported bulk cargo, especially grains, at U.S. ports. It highlighted the use of barge traffic, in addition to railroads, and how the two complement one another at inland and intra-coastal seaports. Given the amount of port congestion in the southeastern part of Brazil, their government has outlined an ambitious plan to attract \$27 billion in new private investment in the port sector, especially for port and related infrastructure in the northeast.



## LEGAL REVIEW

### **Admiralty Personal Injury**

The United States was named as defendant in 12 MARAD-related personal injury cases in the admiralty jurisdiction of the Federal district courts as of September 30, 2013. The potential liability arising from these matters may total up to \$2.8 million. Although certain cases were resolved and new cases were filed in FY 2013, overall potential liability increased from \$1 million in the prior year.

### **Environmental Litigation**

Following from *Arc Ecology, et al. v. Maritime Administration et al.*, (E.D. Ca 2:07-cv-02320), MARAD achieved a significant milestone through removal of non-retention vessels from the Suisun Bay Reserve Fleet (SBRF) more quickly than required by the stipulated Consent Decree. By the end of FY 2013, MARAD met the FY 2015 requirement for net removal of 44 vessels from the SBRF.

### **Federal Ship Financing Program Litigation**

By *American Petroleum Tankers Parent LLC [APT] v. United States, et al.* (D.C.D.C. Civil Action No. 12-1165) APT brought an Administrative Procedures Act action seeking approval of its application for a loan guarantee under the Federal Ship Financing (Title XI) Program. By the close of FY 2013, MARAD had filed the Administrative Record and the parties had filed Cross-Motions for Summary Judgment, which remained pending before the Court at the end of fiscal year.

### **Maritime Security Program Litigation**

By *Liberty Global Logistics LLC, [Liberty] et al. v. United States, et al.* (E.D.N.Y. Civil Action No. 1:13-cv-399) Liberty brought an action under the Administrative Procedures Act and the Freedom of Information Act challenging vessel replacements under two Maritime Security Program Operating Agreements. Approaching the close of FY 2013, MARAD filed a Motion to Dismiss, which remained pending before the Court at the end of the fiscal year.

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## **Presidential Proclamation**

NATIONAL MARITIME DAY, 2013

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA  
A PROCLAMATION

Through every chapter of the American story, ordinary men and women have accomplished extraordinary things as members of the United States Merchant Marine. When the idea of America depended on the success of a revolution, mariners took on the world's most powerful navy and helped secure our future as a sovereign Nation. In the decades since, they have sustained critical supply lines for our troops abroad -- at times enduring profound losses to keep our sea lanes open. And through war and peace alike, the Merchant Marine has driven our economic growth by shipping our products all around the world. On National Maritime Day, we honor the generations of mariners who have served and sacrificed to make our country what it is today.

To keep America moving forward in the 21st century, we need to expand trade and commerce that creates good jobs for our people. Businesses in every corner of our country are stepping up to meet that challenge, ramping up manufacturing and selling more goods and services overseas. As they do, our Merchant Marine is making sure our products get wherever they need to go -- from ports here at home to new markets halfway across the globe. Their work is essential to growing our economy, and my Administration remains committed to getting our mariners the support they need to carry out their mission.

Whether equipping our service members in the theater of war or guiding our maritime industry in the calm of peace, the United States Merchant Marine has helped keep America strong for more than two centuries. Let us mark this day by reflecting on that legacy of service, honoring the men and women who forged it, and saluting the proud mariners who carry it forward today.

The Congress, by a joint resolution approved May 20, 1933, has designated May 22 of each year as "National Maritime Day," and has authorized and requested the President to issue annually a proclamation calling for its appropriate observance.

NOW, THEREFORE, I, BARACK OBAMA, President of the United States of America, do hereby proclaim May 22, 2013, as National Maritime Day. I call upon the people of the United States to mark this observance and to display the flag of the United States at their homes and in their communities. I also request that all ships sailing under the American flag dress ship on that day.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-first day of May, in the year of our Lord two thousand thirteen, and of the Independence of the United States of America the two hundred and thirty-seventh.

## The Maritime Administration Observes National Maritime Day 2013



Former U.S. Transportation Secretary Ray LaHood welcomes guests to the 2013 National Maritime Day Observance as Sister Myrna Tordillo, National Director of the Apostleship of the Sea, looks on.



Congressman John Garamendi (D-CA), speaks to the “many selfless contributions” of mariners to the Nation, and the economic, regulatory and policy challenges facing the industry.



Cadets from the Seafarers International Union’s Paul Hall Center for Maritime Training and Education await the start of the Bell Ringing Ceremony.



## **MARITIME ADMINISTRATION**

### **Annual Financial Statements**

#### **Fiscal Years Ended September 30, 2013 and 2012**

The Financial Statements include the following principal statements and the notes:

- Balance Sheet - presents, as of the end of the fiscal year, amounts of future economic benefits owned or managed by MARAD (assets), amounts owed by MARAD (liabilities), and amounts which comprise the difference between assets and liabilities (net position).
- Statement of Net Cost - presents the net cost of operations for MARAD.
- Statement of Changes in Net Position - presents the change in net position during the fiscal year. Net position is affected by changes to its two components: Cumulative Results of Operations and Unexpended Appropriations.
- Statement of Budgetary Resources - presents the information about how budgetary resources were made available as well as their status at the end of the fiscal year. The Office of Management and Budget and the Department of Treasury made a few changes to the format of the Statement of Budgetary Resources in fiscal year 2013. Several lines in the Statement were renamed. Three lines were added and two deleted.
- Notes accompanying this presentation are an integral part of the financial statements.

The financial statements presented here for MARAD are based on the information included in the DOT audited financial statements for fiscal year (FY) 2013 and FY 2012.



**Balance Sheet**  
**As of September 30, 2013 and September 30, 2012**  
(Dollars in Thousands)

	<u><b>FY 2013</b></u>	<u><b>FY 2012</b></u>
<b>Assets</b>		
<b>Intragovernmental Assets:</b>		
Fund Balance with Treasury (Note 1)	\$ 717,429	\$ 816,540
Investments (Note 2)	42,703	28,986
Accounts Receivable, Net (Note 3)	38,169	27,570
Loans Receivable	-	-
Other Assets (Note 4)	<u>5,444</u>	<u>9,360</u>
<b>Total Intragovernmental Assets</b>	<b>\$ 803,745</b>	<b>\$ 882,456</b>
Accounts Receivable (Public), Net (Note 3)	\$ 423	\$ 583
Loans Receivable & Foreclosed Property, Net (Note 5)	11,206	11,301
Inventory and Related Property, Net (Note 6)	220,474	221,513
General Property, Plant and Equipment, Net (Note 7)	<u>336,632</u>	<u>335,306</u>
<b>Total Assets</b>	<b><u>\$ 1,372,480</u></b>	<b><u>\$ 1,451,158</u></b>
<b>Liabilities (Note 8)</b>		
<b>Intragovernmental Liabilities:</b>		
Accounts Payable	\$ 34	\$ 239
Debt (Note 9)	37,000	84,326
Other Intragovernmental Liabilities (Note 13)	<u>418,961</u>	<u>451,324</u>
<b>Total Intragovernmental Liabilities</b>	<b>\$ 455,995</b>	<b>\$ 535,889</b>
Accounts Payable	\$ 20,751	\$ 38,232
Loan Guarantee Liability (Note 5)	175,573	192,383
Federal Employee and Veterans' Benefits (Note 10)	18,949	18,427
Environmental Cleanup and Disposal Liabilities (Note 11)	167,490	200,419
Grant Accrual (Note 12)	770	53
Other Liabilities (Notes 13)	<u>21,136</u>	<u>20,418</u>
<b>Total Liabilities</b>	<b><u>\$ 860,664</u></b>	<b><u>\$ 1,005,821</u></b>
<b>Net Position</b>		
Unexpended Appropriations - Other Funds	339,568	377,908
Cumulative Results of Operations - Funds from Dedicated Collections (Note 14)	55,743	66,245
Cumulative Results of Operations - Other Funds	<u>116,505</u>	<u>1,184</u>
<b>Total Net Position</b>	<b><u>\$ 511,816</u></b>	<b><u>\$ 445,337</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 1,372,480</u></b>	<b><u>\$ 1,451,158</u></b>

**Statement of Net Cost**  
**For the Fiscal Years Ended September 30, 2013 and September 30, 2012**  
(Dollars in Thousands)

	<u><b>FY 2013</b></u>	<u><b>FY 2012</b></u>
<b>Program Costs (Note 15):</b>		
Gross Costs	\$ 742,930	\$ 898,602
Less: Earned Revenues	<u>389,024</u>	<u>393,405</u>
<b>Net Cost of Operations</b>	<u><b>\$ 353,906</b></u>	<u><b>\$ 505,197</b></u>

**Statement of Changes in Net Position**  
**Cumulative Results of Operations**  
**For the Fiscal Years Ended September 30, 2013 and September 30, 2012**  
(Dollars in Thousands)

	<u><b>FY 2013</b></u>	<u><b>FY 2012</b></u>
<b>Beginning Balances</b>	\$ 66,036	\$ 142,803
<b>Adjustments (+/-)</b>		
Changes in Accounting Principle	-	-
Corrections of Errors	<u>-</u>	<u>-</u>
<b>Beginning Balances, Adjusted</b>	<u><b>\$ 66,036</b></u>	<u><b>\$ 142,803</b></u>
<b>Budgetary Financing Sources:</b>		
Appropriations Used	\$ 453,496	\$ 457,952
Non-Exchange Revenue	-	(125)
Donations and Forfeitures of Cash and Cash Equivalents	617	1,227
Transfers-In/Out Without Reimbursement (+/-)	-	-
<b>Other Financing Sources:</b>		
Donations and Forfeitures of Property	-	1,300
Transfers-In/Out Without Reimbursement (+/-)	694	-
Imputed Financing From Costs Absorbed by Others	8,705	13,772
Other (+/-)	<u>(3,394)</u>	<u>(44,302)</u>
<b>Total Financing Sources</b>	<u><b>\$ 460,118</b></u>	<u><b>\$ 429,824</b></u>
<b>Net Cost of Operations</b>	<u><b>\$ 353,906</b></u>	<u><b>\$ 505,197</b></u>
<b>Net Change</b>	<u><b>\$ 106,212</b></u>	<u><b>\$ (75,374)</b></u>
<b>Cumulative Results of Operations</b>	<u><b>\$ 172,248</b></u>	<u><b>\$ 67,429</b></u>

**Statement of Changes in Net Position - Unexpended Appropriations**  
**For the Fiscal Years Ended September 30, 2013 and September 30, 2012**  
(Dollars in Thousands)

	<u>FY 2013</u>	<u>FY 2012</u>
<b>Beginning Balances</b>	\$ 379,301	\$ 344,605
<b>Budgetary Financing Sources:</b>		
Appropriations Received	\$ 486,539	\$ 487,606
Appropriations Transferred-In/Out (+/-)	-	5,154
Other Adjustments (Rescissions, etc.) (+/-)	(72,776)	(1,505)
Appropriations Used	<u>(453,496)</u>	<u>(457,952)</u>
<b>Total Budgetary Financing Sources</b>	\$ (39,733)	\$ 33,303
<b>Total Unexpended Appropriations</b>	<b><u>\$ 339,568</u></b>	<b><u>\$ 377,908</u></b>

**Statement of Budgetary Resources**  
**For the Fiscal Years Ended September 30, 2013 and September 30, 2012 (Note 16)**  
(Dollars in Thousands)

	<u>FY 2013</u>	<u>FY 2012</u>
<b>BUDGETARY RESOURCES:</b>		
Unobligated Balance, Brought forward, October 1	\$ 587,595	\$ 640,840
Adjustment to unobligated balance brought forward	<u>(1,594)</u>	<u>-</u>
Unobligated Balance Brought Forward, October 1, As Adjusted	\$ 586,001	\$ 640,840
Recoveries of Prior Year Unpaid Obligations	45,265	57,652
Other Changes in Unobligated Balance	<u>(2,843)</u>	<u>(1,427)</u>
<b>Unobligated Balance from Prior Year Budget Authority, Net</b>	\$ 628,423	\$ 697,067
Appropriations (Discretionary and Mandatory)	338,151	362,520
Borrowing Authority (Discretionary and Mandatory) (Note 16)	46,532	18,000
Contract Authority (Discretionary and Mandatory)	(10,747)	-
Spending Authority From Offsetting Collections	<u>417,150</u>	<u>493,686</u>
<b>Total Budgetary Resources</b>	<b><u>\$ 1,419,509</u></b>	<b><u>\$ 1,571,272</u></b>
<b>STATUS OF BUDGETARY RESOURCES:</b>		
Obligations Incurred:	\$ 860,179	\$ 984,590
Unobligated Balance, End of Year:		
Apportioned	255,638	304,785
Exempt from Apportionment	3,605	3,812
Unapportioned	<u>300,087</u>	<u>278,086</u>
<b>Unobligated Balance, End of Year</b>	<b><u>\$ 559,330</u></b>	<b><u>\$ 586,682</u></b>

<b>Total Budgetary Resources</b>	<b><u>\$ 1,419,509</u></b>	<b><u>\$ 1,571,272</u></b>
<b>Change in Obligated Balances:</b>		
Unpaid Obligations, Brought forward October 1 (Gross)	\$ 378,342	\$ 383,813
Adjustment to Obligated Balance, Start of Year	-	-
Obligations Incurred: (Note 16)	\$ 860,179	\$ 984,590
Gross Outlays	(892,031)	(932,409)
Actual Transfers, Unpaid Obligations (Net)	-	-
Recoveries of Prior Year Unpaid Obligations	<u>(45,265)</u>	<u>(57,652)</u>
Unpaid Obligations, End of Year	<u>\$ 301,225</u>	<u>\$ 378,342</u>
<b>Uncollected Payments:</b>		
Uncollected Payments, Federal Sources, Brought Forward, Oct 1	\$ (123,681)	\$ (155,566)
Adjustment to Uncollected Payments, Federal Sources, Start of Year	-	-
Change in Uncollected Payments, Federal Sources	23,277	31,885
Actual Transfers, Uncollected Payments from Fed Sources (Net)	<u>-</u>	<u>-</u>
Uncollected Payments, Federal Sources, End of Year	<u>\$ (100,404)</u>	<u>\$ (123,681)</u>
<b>Memorandum:</b>		
Obligated Balance, Start of Year	\$ 254,661	\$ 228,247
Obligated Balance, End of Year (Net)	\$ 200,822	\$ 254,661
<b>Budget Authority and Outlays, Net:</b>		
Budget Authority, Gross (Discretionary and Mandatory)	\$ 791,087	\$ 874,206
Actual Offsetting Collections (Discretionary and Mandatory)	(441,340)	(610,572)
Change in Uncollected Customer Payments from Fed Sources	23,277	31,885
Anticipated Offsetting Collections (Discretionary and Mandatory)	<u>-</u>	<u>-</u>
Budget Authority, Net (Discretionary and Mandatory)	<u>\$ 373,024</u>	<u>\$ 295,520</u>
Outlays, Gross (Discretionary and Mandatory)	892,031	932,409
Actual Offsetting Collections (Discretionary and Mandatory)	<u>(441,340)</u>	<u>(610,572)</u>
Outlays, Net (Discretionary and Mandatory)	\$ 450,691	\$ 321,837
Distributed Offsetting Receipts	<u>(45,664)</u>	<u>(54,533)</u>
Agency Outlays, Net (Discretionary and Mandatory)	<u>\$ 405,027</u>	<u>\$ 267,304</u>

**Note 1. Fund Balances with Treasury: (Dollars in Thousands)**

	<u>September 30, 2013</u>	<u>September 30, 2012</u>
<b>Fund Balances:</b>		
General Funds	360,020	426,083
Revolving Funds	306,834	326,545
Trust Funds	\$ 4,753	\$ 15,063
Other Fund Types	<u>45,822</u>	<u>48,849</u>
<b>Total</b>	<b><u>\$ 717,429</u></b>	<b><u>\$ 816,540</u></b>

**Note 2. Investments: (Dollars in Thousands)****As of September 30, 2013**

	<u>Cost</u>	<u>Amortized (Premium) Discount</u>	<u>Investments (Net)</u>	<u>Other Adjustments</u>	<u>Market Value Disclosure</u>
Intragovernmental Securities:					
Marketable	\$ 42,895	\$ (236)	\$ 42,659	\$ 0	\$ 42,659
Accrued Interest	<u>44</u>	<u>0</u>	<u>44</u>	<u>0</u>	<u>44</u>
<b>Total Investments</b>	<b><u>\$ 42,939</u></b>	<b><u>\$ (236)</u></b>	<b><u>\$ 42,703</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 42,703</u></b>

**As of September 30, 2012**

	<u>Cost</u>	<u>Amortized (Premium) Discount</u>	<u>Investments (Net)</u>	<u>Other Adjustments</u>	<u>Market Value Disclosure</u>
Intragovernmental Securities:					
Marketable	\$ 28,735	\$ 179	\$ 28,914	\$ 0	\$ 28,914
Accrued Interest	<u>72</u>	<u>0</u>	<u>72</u>	<u>0</u>	<u>72</u>
<b>Total Investments</b>	<b><u>\$ 28,807</u></b>	<b><u>\$ 179</u></b>	<b><u>\$ 28,986</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 28,986</u></b>

**Note 3. Accounts Receivable: (Dollars in Thousands)****As of September 30, 2013**

	<u>Gross Amount Due</u>	<u>Allowance for Uncollectible Amounts</u>	<u>Net Amount Due</u>
Accounts Receivable (Federal)	\$ 38,169	\$ 0	\$ 38,169
Accounts Receivable (Public)	<u>423</u>	<u>0</u>	<u>423</u>
<b>Total Accounts Receivable</b>	<b><u>\$ 38,592</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 38,592</u></b>



**Note 3. Accounts Receivable continued: (Dollars in Thousands)**

As of September 30, 2012			
	Gross Amount <u>Due</u>	Allowance for Uncollectible <u>Amounts</u>	Net Amount <u>Due</u>
Accounts Receivable (Federal)	\$ 27,570	\$ 0	\$ 27,570
Accounts Receivable (Public)	583	0	583
<b>Total Accounts Receivable</b>	<b>\$ 28,153</b>	<b>\$ 0</b>	<b>\$ 28,153</b>

**Note 4. Other Assets: (Dollars in Thousands)**

	<u>September 30, 2013</u>	<u>September 30, 2012</u>
Prepayments to Other Federal Agencies	\$ <u>5,444</u>	\$ <u>9,360</u>

**Note 5. Loan Guarantees Programs: (Dollars in Thousands)****Guaranteed Loans Outstanding as of September 30, 2013**

	Outstanding Principal of Guaranteed Loans Amount of Outstanding	
	<u>Face Value</u>	<u>Principal Guaranteed</u>
Loan Guarantee	\$ 1,730,840	\$ 1,730,840

**Budget Subsidy Rates for Loan Guarantees for the Current Year Cohort****As of September 30, 2013**

	Interest <u>Supplement</u>	Defaults <u>Defaults</u>	Fees & Other <u>Collections</u>	<u>Other</u>	<u>Total</u>
Loan Guarantee	0.00%	11.78%	-4.89%	0.00%	6.90%

**FY 2013 Defaulted Guaranteed Loans**

	Loans Receivable, <u>Gross</u>	Interest <u>Receivable</u>	Foreclosed <u>Property</u>	Allowance <u>for Subsidy</u>	Loans Receivable <u>Net</u>
Loan Guarantee	\$ 97,418	\$ 2,061	\$ 5,800	\$ (94,073)	\$ 11,206

**FY 2012 Defaulted Guaranteed Loans**

	Loans Receivable, <u>Gross</u>	Interest <u>Receivable</u>	Foreclosed <u>Property</u>	Allowance <u>Subsidy for</u>	<u>Loans Net</u>
Loan Guarantee	\$ 97,312	\$ 2,061	\$ 6,500	\$ (94,572)	\$ 11,301

	<u>FY 2013</u>	<u>FY 2012</u>
Beginning balance of the loan guarantee liability	\$ 192,382	\$ 158,333
<b>Add: Subsidy Expense for Guaranteed Loans disbursed during the reporting years by component:</b>		
Default costs (net of recoveries)	<u>0</u>	<u>13,788</u>
<b>Total - above subsidy expense components</b>	<b>\$ 192,382</b>	<b>\$ 172,121</b>
<b>Adjustments:</b>		
Fees received	0	53,417
Foreclosed property and loans acquired	0	39,456
Claim payments to lenders		
Interest accumulation on the liability balance	9,000	(6,756)
Other	<u>430</u>	<u>(27,087)</u>
<b>Add or Subtract Subsidy Re-estimates by Component:</b>		
Technical/default re-estimate	<u>(26,239)</u>	<u>(38,768)</u>
Total of the above re-estimate components	\$ (26,239)	\$ (38,768)
<b>Ending Balance of Loan Guarantee Liability</b>	<b><u>\$ 175,573</u></b>	<b><u>\$ 192,383</u></b>

**Note 6. Inventory and Related Property: (Dollars in Thousands)**

	<u>As of September 30, 2013</u>		
	<u>Cost</u>	<u>Allowance for Loss</u>	<u>Net</u>
<b>Operating Materials and Supplies:</b>			
Items Held for Use	\$ 192,081	\$ 1,173	\$ 190,908
Items Held in Reserve for Future Use	28,099	-	28,099
Items Held for Repair	<u>1,467</u>	<u>-</u>	<u>1,467</u>
<b>Total Operating Materials &amp; Supplies</b>	<b><u>\$221,647</u></b>	<b><u>\$ 1,173</u></b>	<b><u>\$ 220,474</u></b>
	<u>As of September 30, 2012</u>		
	<u>Cost</u>	<u>Allowance for Loss</u>	<u>Net</u>
<b>Operating Materials and Supplies:</b>			
Items Held for Use	\$ 191,580	\$ 1,075	\$ 190,505
Items Held in Reserve for Future Use	29,664	0-	29,664
Items Held for Repair	<u>1,343</u>	<u>0-</u>	<u>1,344</u>
<b>Total Operating Materials &amp; Supplies</b>	<b><u>\$222,587</u></b>	<b><u>\$ 1,075</u></b>	<b><u>\$221,513</u></b>

**Note 7. General Property, Plant and Equipment: (Dollars in Thousands)****As of September 30, 2013**

<u>Major Classes</u>	<u>Service Life</u>	<u>Acquisition Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land and Improvements	N/A	\$ 3,962	\$ 0	\$ 3,962
Buildings and Structures	20 SL	208,998	87,298	121,700
Furniture and Fixtures		-	-	-
Automated Data Processing Software	5-10 SL	750	750	0
Equipment	5-10 SL	30,359	27,081	3,278
Electronics	5-10 SL	1,173	1,096	77
Assets Under Capital Lease	5 SL	1,032	381	651
Small Boats, Ships and Vessels	10-25 SL	1,966,521	1,806,543	159,978
Construction in Progress	N/A	46,986	0	46,986
<b>Total</b>		<b>\$ 2,259,781</b>	<b>\$1,923,149</b>	<b>\$ 336,632</b>

**As of September 30, 2012**

<u>Major Classes</u>	<u>Service Life</u>	<u>Acquisition Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land and Improvements	N/A	\$ 3,962	\$ 0	\$ 3,962
Buildings and Structures	20 SL	200,258	80,478	119,780
Furniture and Fixtures		2,760	1,426	1,334
Automated Data Processing Software	5-10 SL	750	750	0
Equipment	5-10 SL	26,762	24,893	1,869
Electronics	5-10 SL	1,173	1,027	146
Assets Under Capital Lease	5 SL	1,032	233	799
Small Boats, Ships and Vessels	10-25 SL	1,965,928	1,772,850	193,078
Construction in Progress	N/A	14,338	0	14,338
<b>Total</b>		<b>\$ 2,216,963</b>	<b>\$1,881,657</b>	<b>\$ 335,306</b>

**Note 8. Liabilities Not Covered by Budgetary Resources: (Dollars in Thousands)****As of September 30**

	<u>FY 2013</u>	<u>FY 2012</u>
<b>Intragovernmental:</b>		
Other Liabilities	\$ 418,961	\$ 451,324
<b>Public:</b>		
Federal Employee and Veterans' Benefits Payable	18,949	18,427
Environmental and Disposal Liabilities	167,490	200,419
Other Liabilities	8,748	8,213

Liabilities Not Covered by Budgetary Resources	\$ 614,149	\$ 678,383
Liabilities Covered by Budgetary Resources	<u>246,515</u>	<u>327,438</u>
<b>Total Liabilities</b>	<b><u>\$ 860,664</u></b>	<b><u>\$ 1,005,821</u></b>

**Note 9. Debt: (Dollars in Thousands)**

	<b><u>FY 2013</u></b>	<b><u>FY 2012</u></b>
<b>Debt to the Treasury</b>	<b><u>\$ 37,000</u></b>	<b><u>\$ 84,326</u></b>

**Note 10. Federal Employee Benefits Payable:**

	<b><u>FY 2013</u></b>	<b><u>FY 2012</u></b>
Intragovernmental Liability for FECA	\$ 3,968	\$ 4,021
Expected Future Liability for FECA	<u>18,949</u>	<u>18,427</u>
<b>Total Federal Employee Benefits Payable</b>	<b><u>\$ 22,917</u></b>	<b><u>\$ 22,448</u></b>

**Note 11. Environmental and Disposal Liabilities: (Dollars in Thousands)**

	<b><u>September 30, 2013</u></b>	<b><u>September 30, 2012</u></b>
Environmental Liabilities:		
Environmental Remediation	\$ 96,000	\$ 96,175
Ship Disposal	<u>71,490</u>	<u>104,244</u>
<b>Total Environmental Liabilities</b>	<b><u>\$ 167,490</u></b>	<b><u>\$ 200,219</u></b>

**Note 12. Grant Accrual: (Dollars in Thousands)**

	<b><u>FY 2013</u></b>	<b><u>FY 2012</u></b>
<b>Grant Liabilities Accrued</b>	<b><u>\$ 770</u></b>	<b><u>\$ 53</u></b>

**Note 13. Other Liabilities: (Dollars in Thousands)**

**As of September 30, 2013**

**Funded Intragovernmental Other Liabilities**

	<b><u>Non-Current Liabilities</u></b>	<b><u>Current Liabilities</u></b>	<b><u>Total</u></b>
Advances and Prepayments	\$ 0	\$ 244,830	\$ 244,830
Uncleared Disbursements and Collections	0	0	0
Other Liabilities for Non-Entity Assets	0	0	0
Other Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Funded Intra-Governmental Other Liabilities</b>	<b><u>\$ 0</u></b>	<b><u>\$ 244,830</u></b>	<b><u>\$ 244,830</u></b>

**Note 13. Other Liabilities continued: (Dollars in Thousands)****As of September 30, 2013****Unfunded Intragovernmental Other Liabilities**

	<b>Non-Current</b>	<b>Current</b>	
	<b><u>Liabilities</u></b>	<b><u>Liabilities</u></b>	<b><u>Total</u></b>
<b>Federal Employees Compensation Act (FECA):</b>			
2013 Bill (Non-Current)	\$ 1,722	\$ 0	\$ 1,722
2012 Bill (Current)	0	1,828	1,828
Quarter of FY 2013 (Non-Current)	<u>418</u>	<u>\$ 0</u>	<u>418</u>
Total FECA Liabilities	\$ 2,140	\$ 1,828	\$ 3,968
Other Accrued Liabilities -	0	170,163	170,163
Other Unfunded Custodial Liabilities	0	-	-
Other Unfunded Employment Related Liabilities	0	-	-
<b>Total Unfunded Intra-Governmental Other Liabilities</b>	<b><u>\$ 2,140</u></b>	<b><u>\$ 171,992</u></b>	<b><u>\$ 174,132</u></b>
<b>Total Unfunded Intragovernmental Other Liabilities</b>	<b><u>\$ 2,140</u></b>	<b><u>\$ 416,821</u></b>	<b><u>\$ 418,961</u></b>

**As of September 30, 2013****Funded Public Other Liabilities**

	<b>Non-Current</b>	<b>Current</b>	
	<b><u>Liabilities</u></b>	<b><u>Liabilities</u></b>	<b><u>Total</u></b>
Accrued Pay and Benefits	0	5,974	5,974
Advances and Prepayments	0	3,917	3,917
Deposit Funds	0	277	277
Deferred Credits	<u>0</u>	<u>2,220</u>	<u>2,220</u>
<b>Total Funded Public Other Liabilities</b>	<b><u>\$ 0</u></b>	<b><u>\$ 12,388</u></b>	<b><u>\$ 12,388</u></b>

**Unfunded Public Other Liabilities**

	<b>Non-Current</b>	<b>Current</b>	
	<b><u>Liabilities</u></b>	<b><u>Liabilities</u></b>	<b><u>Total</u></b>
Accrued Pay and Benefits	\$ 0	\$ 7,480	\$ 7,480
Other	<u>0</u>	<u>1,268</u>	<u>1,268</u>
Total Unfunded Public Other Liabilities	<u>\$ 0</u>	<u>8,748</u>	<u>\$ 8,748</u>
<b>Total Public Other Liabilities</b>	<b><u>\$ 0</u></b>	<b><u>\$ 21,136</u></b>	<b><u>\$ 21,136</u></b>
<b>Total Other Liabilities</b>	<b><u>\$ 2,140</u></b>	<b><u>\$ 437,958</u></b>	<b><u>\$ 440,098</u></b>



**Note 14. Funds from Dedicated Collections: (Dollars in Thousands)****Balance Sheet****As of September 30, 2013****Assets**

Fund Balance with Treasury	\$ 9,815
Investments, Net	42,703
Property, Plant & Equipment	<u>3,330</u>
<b>Total Assets</b>	<b><u>\$ 55,848</u></b>

**Liabilities and Net Position**

Accounts Payable (Non-Federal)	\$ 105
Cumulative Results of Operations	<u>55,743</u>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 55,848</u></b>

**Statement of Net Cost**

For the Period Ended September 30, 2013

Program Costs (Federal)	\$ 1,210
Program Costs (Non-Federal)	10,018
Less Earned Revenue (Federal)	109
Less Earned Revenue (Non-Federal)	<u>0</u>
<b>Net Program Costs</b>	<b>\$ 11,119</b>
Less Earned Revenues Not Assigned to Programs	<u>-</u>
<b>Net Cost of Operations</b>	<b><u>\$ 11,119</u></b>

**Statement of Changes in Net Position**

For the Period Ended September 30, 2013

Beginning Net Position	\$ 66,245
Budgetary Financing Sources	617
Less: Net Cost of Operations	<u>11,119</u>
<b>Net Position End of Period</b>	<b><u>\$ 55,743</u></b>

**Note 15. Intragovernmental Costs and Exchange Revenues: (Dollars in Thousands)**

	<b>FY 2013</b>		
	<b><u>Intragovernmental</u></b>	<b><u>With the Public</u></b>	<b><u>Total</u></b>
Gross Costs	\$ 59,249	\$ 683,681	\$ 742,930
Less: Earned Revenue	<u>352,086</u>	<u>36,938</u>	<u>389,024</u>
<b>Net Program Costs</b>	<b><u>\$ (292,837)</u></b>	<b><u>\$ 646,743</u></b>	<b><u>\$ 353,906</u></b>

	<b>FY 2012</b>		
	<b><u>Intragovernmental</u></b>	<b><u>With the Public</u></b>	<b><u>Total</u></b>
Gross Costs	\$ 186,695	\$ 711,906	\$ 898,602
Less Earned Revenue	<u>352,899</u>	<u>40,506</u>	<u>393,405</u>
<b>Net Program Costs</b>	<b><u>\$ (166,204)</u></b>	<b><u>\$ 671,401</u></b>	<b><u>\$ 505,197</u></b>

**Note 16. Obligations Incurred, Borrowing Authority and Undelivered Orders: (Dollars in Thousands)****Obligations Incurred in FY 2013**

	<b><u>Direct</u></b>	<b><u>Reimbursable</u></b>	<b><u>Total</u></b>
Category A	\$ 920	\$ 0	\$ 920
Category B	473,332	384,414	857,747
Exempt from Apportionment	<u>1,513</u>	<u>0</u>	<u>1,513</u>
<b>Total</b>	<b><u>\$ 475,765</u></b>	<b><u>\$ 384,414</u></b>	<b><u>\$ 860,179</u></b>

**Obligations Incurred in FY 2012**

	<b><u>Direct</u></b>	<b><u>Reimbursable</u></b>	<b><u>Total</u></b>
Category A	\$ 124,538	\$ 0	\$ 124,538
Category B	420,182	427,838	848,019
Exempt from Apportionment	<u>12,033</u>	<u>0</u>	<u>12,033</u>
<b>Total</b>	<b><u>\$ 556,753</u></b>	<b><u>\$ 427,838</u></b>	<b><u>\$ 984,590</u></b>

	<b><u>September 30, 2013</u></b>	<b><u>September 30, 2012</u></b>
Available Borrowing Authority	\$ 46,532	\$ 18,000
Undelivered Orders, Unpaid	\$ 274,252	\$ 334,231

## REPORTING OF ADMINISTERED AND OVERSIGHT FUNDS

MARAD's overall mission includes significant program activities funded from sources other than its annual appropriation. The agency receives funds via interagency agreements, gifts and bequests and allocations to support the programs of a number of Departments and agencies, including Department of Defense/U.S. Navy, and others. In FY 2013, while the agency's appropriations totaled \$327 million, the following table illustrates that the total funds received was \$859 million.

The comprehensive MARAD funding summary below includes appropriated and non-appropriated funds. The Non-appropriated Funds section and the additional information provided below fulfill the 46 U.S.C. § 50111(b) reporting requirement which states:

**(b) Administered and oversight funds.** The Secretary, in the report required under subsection (a) and in the annual budget estimate for the Maritime Administration submitted to Congress, shall state separately the amount, source, intended use, and nature of any funds (other than funds appropriated to the Administration or to the Secretary of Transportation for use by the Administration) administered, or subject to oversight, by the Administration.

### Comprehensive Maritime Administration Funding Summary (Including Funds Not Appropriated to MARAD) (\$000)

	<u><b>FY 2012</b></u>	<u><b>FY 2013</b></u>
<b><u>Appropriated Funds</u></b>		
Operations and Training	156,258	148,085
Assistance to Small Shipyards	9,980	9,458
Ship Disposal Program	5,500	5,212
Maritime Security Program	174,000	160,289
Maritime Guaranteed Loan Program (Title XI)	3,740	3,544
<b>Subtotal, Appropriated Funds</b>	<b>349,478</b>	<b>326,588</b>
<b><u>Other Budget Authority:</u></b>		
Ocean Freight Differential	175,000	46,532
Maritime Guaranteed Loan Programs - Subsidy Reestimate	42,707	11,242
<b>Subtotal, Other Budget Authority</b>	<b>217,707</b>	<b>57,774</b>
<b><u>Non-appropriated Funds:</u></b>		
Vessel Operations Revolving Fund	31,500	17,163
Ready Reserve Force	362,313	351,715
Operations and Training	11,684	1,501
Gifts and Bequests	1,227	617
OST Allocations	134,212	103,191
Non-appropriated Funding Instrumentalities (NAFIs)	5,388	272
<b>Subtotal, Non-Appropriated Funds</b>	<b>546,324</b>	<b>474,459</b>
<b>Total Funds</b>	<b>1,113,509</b>	<b>858,821</b>

1/ This amount has been corrected to reflect funds received in USMMA NAFI's.

Following are descriptions of program activities supported by funding not appropriated directly to MARAD:

***Vessel Operations Revolving Fund***

The Vessel Operations Revolving Fund (VORF) receive receipts attributable to the sale of obsolete vessels in the National Defense Reserve Fleet (NDRF) that are scrapped or sold and receive collections of rental payments for the Port of New Orleans.

***Ready Reserve Force***

This account includes funds appropriated to the National Defense Sealift Fund (NDSF) and provided by Department of Defense to MARAD on a reimbursable basis for support of the RRF and NDRF. In addition to the NDSF appropriation for the RRF, receipts from the Mission Defense Agency; Army Corps of Engineers; US Coast Guard and National Oceanographic and Atmospheric Administration are received into this account.

***Operations & Training***

Reimbursements are derived from interagency agreements to support the programs of a number of Federal Agencies. Reimbursable activity in this account also includes collections received by the agency.

***Gifts and Bequests***

MARAD receives gifts and bequests from external contributors, individuals and organizational donors. The agency receives restricted and unrestricted gifts and bequests, which are reviewed by the Office of the Chief Counsel. Restricted gifts specify the purpose for the contributed funding. Unrestricted gifts can be applied to agency priorities. Gifts and bequests received by MARAD are predominantly for the U.S. Merchant Marine Academy (USMMA).

***OST Allocations***

The Office of the Secretary of Transportation (OST) can allocate funds for MARAD programs. For instance, the TIGER (Transportation Investment Generating Economic Recovery) Discretionary Grant Program was included in the Recovery Act to spur a national competition for innovative, multi-modal and multi-jurisdictional transportation projects that promise significant economic and environmental benefits to an entire metropolitan area, as region or the nation. The Secretary's program provided \$102 million in FY 2013 for grants and \$1.2 million for administrative oversight of Marine Highway projects, including projects in Alabama, California (2), Florida, Indiana, Louisiana, New Jersey (2), Oklahoma and Texas (2).

***USMMA Non-Appropriated Fund Instrumentalities (NAFIs)***

Funds received by USMMA NAFIs are used to provide or assist programs and services primarily for the benefit of USMMA Midshipmen and Employees. A specific NAFI receives funds primarily from program revenues. In FYs 2011 and 2012, MARAD eliminated the majority of USMMA NAFIs. As of September 30, 2013, the following USMMA NAFIs were operating: Employees Association and Regimental Activities (formerly known as Morale NAFI). More detailed information on each NAFI is provided below.

### **Additional Information for USMMA Non-Appropriated Funds:**

The following section for the USMMA non-appropriated funds provides additional information on the source of the funds and intended use for the Academy's general collections, Midshipman fees, graduate program and gifts & bequests and includes a breakdown for each individual NAFL.

<b>USMMA Non-appropriated Funds</b>					
<b>FY 2013 Revenues and Obligations/Expenditures</b>					
<b>(\$000)</b>					
	<b>Unobligated Balance Brought Forward</b>	<b>Prior Year</b>		<b>Obligations/ Expenditures</b>	<b>Unobligated Balance</b>
	<b><u>9/30/2012</u></b>	<b><u>Recoveries</u></b>	<b><u>Revenues</u></b>	<b><u>Expenditures</u></b>	<b><u>9/30/2013</u></b>
General Collections	\$26 <sup>1/</sup>		\$206	\$205	\$27
Midshipman Fees					
Academic Yr 2010-2011	95		0	0	95
Academic Yr 2011-2012	68		-48	2	18
Academic Yr 2012-2013	269		263	498	34
Academic Yr 2013-2014	0		294	131	163
Graduate Program	139	4	180	246	77
Gifts and Bequests	<u>2,621</u>	<u>69</u>	<u>617</u>	<u>873</u>	<u>2,434</u>
<b>Grand Total</b>	<b><u>\$3,218</u></b>	<b><u>\$73</u></b>	<b><u>\$1,512</u></b>	<b><u>\$1,955</u></b>	<b><u>\$2,848</u></b>

1/ The carryover balance for general collections as of 9/30/12 included annual receipts that expired at the end of the fiscal year.

**These collections are deposited into the U.S. Treasury account and revenue and expenditure transactions are recorded in the MARAD accounting system.**

**General Collections:** Revenues are primarily from the housing quarters rent and use of Academy assets such as the tower. The obligations/expenditures are for the maintenance expenses of the housing quarters.

**Midshipman Fees:** Revenues are from fees collected from each Midshipman to pay for personal expenses such as laundry, haircutting, and tailor services. The obligations/expenditures are the costs of providing these goods and services.

**Graduate Program:** Revenues are the tuition received from the graduate students attending the program. The obligations/expenditures are the amounts for the operating expenses of the program including adjunct professor salaries and operating supplies and internet service.

**Gifts & Bequests:** Revenues are gift and bequest donations received from external individuals and organizations. The Academy receives restricted gifts which specify a purpose for the contribution. The Academy also receives unrestricted gifts which do not identify a specific purpose and are applied to the Academy's priorities for funding. The obligations/expenditures



from the gift fund were used to support the Athletics and Waterfront Departments and general expenses for the chapel, museum, graduation, Midshipmen morale activities, and Academic Dean.

**The following chart provides revenue and expenditure amounts for each individual NAFI followed by a description of the source and intended use of the funds. These funds are held in commercial bank accounts.**

<b>USMMA Non-Appropriated Fund Instrumentality (NAFI)</b> <b>FY 2013 Revenues and Expenditures</b> <b>(\$000)</b>				
	<u>Balance</u> <u>9/30/2012</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance</u> <u>9/30/2013</u>
Employees Association	\$31	\$60	\$60	\$31
Melville Hall	115	42	153	4 <sup>1/</sup>
Regimental Activities	256	135	51	340
Global Maritime & Transportation School (GMATS)	<u>55</u> <sup>2/</sup>	<u>35</u>	<u>90</u>	<u>0</u>
<b>Grand Total</b>	<b><u>\$457</u></b>	<b><u>\$272</u></b>	<b><u>\$354</u></b>	<b><u>\$375</u></b> <sup>3/</sup>

1/ Remaining balance was closed and deposited into US Treasury in May 2014

2/ The prior year 09/30/12 balance of \$6K was an estimate and the final balance is \$55K

3/ The Grand Total does not include a remaining balance of \$5,890 for the Athletic Association. This amount was deposited in March 2014 into the Athletic Gift Account based on the Donor's instructions.

Employees Association: Receipts are from membership fees and fees collected for participation in various sponsored events. Funds were used for athletic events, cookouts, and group tickets for theater and other cultural events.

Melville Hall: Melville Hall ceased operations on October 31, 2012. Transactions during FY 2013 occurred to close out accounts payables and accounts receivables.

Regimental Activities: This fund was formerly known as the Morale Fund. During FY 2013, funds were provided by the Alumni Association and were used for Midshipmen's participation in cultural events and the promotion of musical activities, including the Glee club and the Chapel Choir. The funds also supported other activities related to the recreation, morale and welfare of Midshipmen.

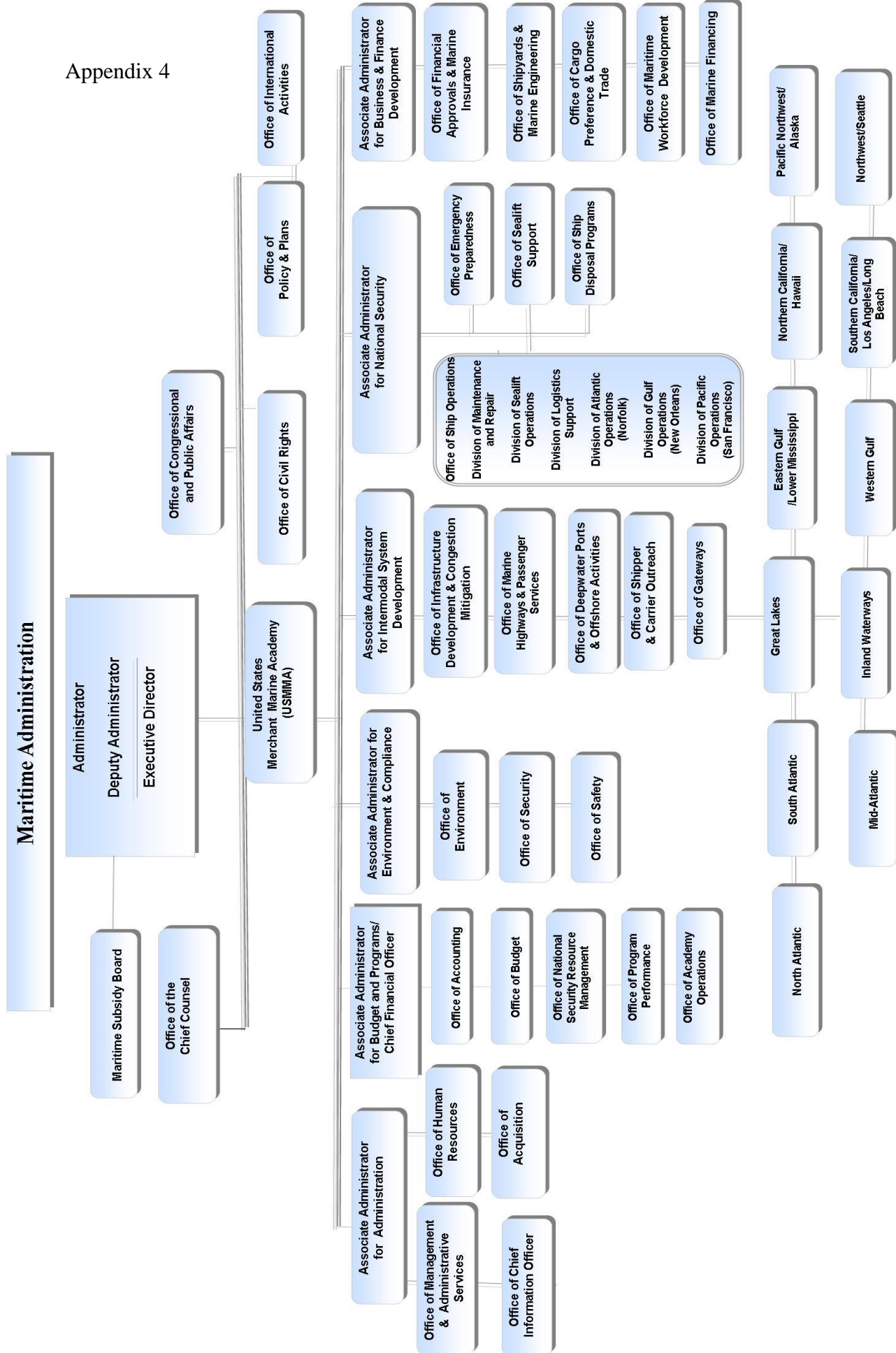
Global Maritime & Transportation School (GMATS): GMATS ceased operations on July 31, 2012. All bank accounts were officially closed as of January 31, 2013. Transactions during FY 2013 occurred to close out accounts payables and accounts receivables.

## Government Sponsored Cargoes for FY 2012<sup>12</sup>

	<u>U.S.-Flag</u> <u>Revenue</u> <u>(\$1,000)</u>	<u>Total</u> <u>Metric Tons</u>	<u>U.S.-Flag</u> <u>Metric Tons</u>	<u>% U.S.-Flag</u> <u>Metric Tons</u>
<b><u>HUMANITARIAN FOOD AID</u></b>				
<b>Agency for International Development (AID)</b>				
--PL 480 - Title II	234,787	1,621,949	1,264,748	78%
<b>Department of Agriculture</b>				
--Food for Progress	38,696	254,273	235,626	93%
--Food for Education	26,427	106,119	75,075	71%
<b>TOTALS</b>	<b>299,910</b>	<b>1,982,341</b>	<b>1,575,449</b>	<b>80%</b>
<b><u>FY 2012</u></b>				
	<u>U.S.-Flag</u> <u>Revenue</u> <u>(\$1,000)</u>	<u>Total</u> <u>Metric Tons</u>	<u>U.S.-Flag</u> <u>Metric Tons</u>	<u>% U.S.-Flag</u> <u>Metric Tons</u>
<b><u>CIVILIAN AGENCIES</u></b>				
<b>Defense Security Cooperative Agency</b>				
--Foreign Military Funding	32,813	449,153	442,408	98%
<b>Department of Energy</b>	8,316	78,026	33,767	43%
<b>Department of State</b>	0	52	-	0%
--Embassy Secure Cargo	359	508	471	93%
--Overseas Building Office	2,728	8,773	7,470	85%
--Transportation Travel Management	47	23	23	100%
--U.S. Despatch Agencies	18,041	13,533	6,604	49%
<b>Department of Transportation</b>				
--Federal Transit Administration	3,459	3,152	1,774	56%
--Tiger	4,077	2,186	1,722	79%
<b>Export-Import Bank</b>				
--Public Resolution 17	92,726	126,449	120,396	95%
<b>General Services Administration</b>				
--CHAMP	7	11	4	36%
--GSA	530	1,198	1,198	100%
<b>Title XI</b>	23	76	76	100%
<b>U.S. Agency for International Development (AID)</b>				
--AID Loans and Grants	28	201	20	10%
--AIDS Prevention	184	921	543	59%
<b>TOTALS</b>	<b>163,338</b>	<b>684,262</b>	<b>616,476</b>	<b>90%</b>
<b><u>FY 2012</u></b>				
	<u>U.S.-Flag</u> <u>Revenue</u> <u>(\$1,000)</u>	<u>Total</u> <u>Tonnage</u>	<u>U.S.-Flag</u> <u>Tonnage</u>	<u>% U.S.-Flag</u> <u>Tonnage</u>
<b><u>MILITARY CARGOES</u></b>				
Military Cargoes (Measurement Tons - Dry Cargo)	3,150,335	10,135,017	9,332,113	92%
Military Cargoes (Metric Tons - Dry Cargo)	58,770	335,501	298,948	89%
Military Cargoes (Metric Tons - Petroleum)	45,697	4,486,631	3,481,212	78%
<b>TOTALS</b>	<b>3,254,802</b>	<b>14,957,149</b>	<b>13,112,273</b>	<b>88.0%</b>

<sup>12</sup> FY 2012 data are the most recent available.

# Appendix 4



## Appendix 5

### Maritime Security Program (MSP) Participants as of September 30, 2013

<b><u>MSP Contract No.</u></b>	<b><u>Vessel Name</u></b>	<b><u>Company Name</u></b>	<b><u>Vessel Type</u></b>
MA/MSP-48	ENDURANCE	Fidelio Limited Partnership	RO/RO <sup>13</sup>
MA/MSP-49	APL KOREA	APL Marine Services, Ltd.	Containership
MA/MSP-50	APL PHILIPPINES	APL Marine Services, Ltd.	Containership
MA/MSP-51	APL SINGAPORE	APL Marine Services, Ltd.	Containership
MA/MSP-52	APL THAILAND	APL Marine Services, Ltd.	Containership
MA/MSP-53	PRESIDENT ADAMS	APL Marine Services, Ltd.	Containership
MA/MSP-54	APL CYPRINE	APL Marine Services, Ltd.	Containership
MA/MSP-55	APL CHINA	APL Marine Services, Ltd.	Containership
MA/MSP-56	APL PEARL	APL Marine Services, Ltd.	Containership
MA/MSP-57	APL AGATE	APL Marine Services, Ltd.	Containership
MA/MSP-58	GREEN COVE	Central Gull Lines, Inc.	RO/RO
MA/MSP-59	GREEN POINT	Central Gull Lines, Inc.	RO/RO
MA/MSP-60	GREEN LAKE	Central Gull Lines, Inc.	RO/RO
MA/MSP-61	GREEN RIDGE	Central Gull Lines, Inc.	RO/RO
MA/MSP-62	ALLIANCE NORFOLK	Farrell Lines Incorporated	RO/RO
MA/MSP-63	ALLIANCE ST. LOUIS	Farrell Lines Incorporated	RO/RO
MA/MSP-64	MAERSK OHIO	Farrell Lines Incorporated	Containership
MA/MSP-65	MAERSK MONTANA	Farrell Lines Incorporated	Containership
MA/MSP-66	MAERSK IOWA	Farrell Lines Incorporated	Containership
MA/MSP-67	OCEAN FREEDOM	Fidelio Limited Partnership	LO/LO
MA/MSP-68	FREEDOM	Fidelio Limited Partnership	RO/RO
MA/MSP-69	HONOR	Fidelio Limited Partnership	RO/RO
MA/MSP-70	RESOLVE	Fidelio Limited Partnership	RO/RO
MA/MSP-71	INTEGRITY	Fidelio Limited Partnership	RO/RO
MA/MSP-72	COURAGE	Fidelio Limited Partnership	RO/RO
MA/MSP-73	PRESTIGE NEW YORK	Liberty Global Logistics, LLC	RO/RO
MA/MSP-74	CHARLESTON EXPRESS	Hapag-Lloyd USA, LLC	Geared Containership
MA/MSP-75	ST LOUIS EXPRESS	Hapag-Lloyd USA, LLC	Geared Containership
MA/MSP-76	WASHINGTON EXPRESS	Hapag-Lloyd USA, LLC	Geared Containership
MA/MSP-77	YORKTOWN EXPRESS	Hapag-Lloyd USA, LLC	Geared Containership
MA/MSP-78	PHILADELPHIA EXPRESS	Hapag-Lloyd USA, LLC	Geared Containership
MA/MSP-79	MAERSK MISSOURI	Maersk Line, Limited	Containership
MA/MSP-80	MAERSK VIRGINIA	Maersk Line, Limited	Containership
MA/MSP-81	MAERSK GEORGIA	Maersk Line, Limited	Containership
MA/MSP-82	MAERSK CAROLINA	Maersk Line, Limited	Containership
MA/MSP-83	MAERSK WYOMING	Maersk Line, Limited	Containership

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<sup>13</sup> Roll-On, Roll-Off vessel

<b><u>MSP Contract No.</u></b>	<b><u>Vessel Name</u></b>	<b><u>Company Name</u></b>	<b><u>Vessel Type</u></b>
MA/MSP-84	SEA-LAND EAGLE	Maersk Line, Limited	Containership
MA/MSP-85	SEA-LAND CHAMPION	Maersk Line, Limited	Containership
MA/MSP-86	MAERSK UTAH	Maersk Line, Limited	Containership
MA/MSP-87	SEA-LAND MERCURY	Maersk Line, Limited	Containership
MA/MSP-88	MAERSK WISCONSIN	Maersk Line, Limited	Containership
MA/MSP-89	SEA-LAND CHARGER	Maersk Line, Limited	Containership
MA/MSP-90	SEA-LAND LIGHTNING	Maersk Line, Limited	Containership
MA/MSP-91	SEA-LAND METEOR	Maersk Line, Limited	Containership
MA/MSP-92	SEA-LAND INTREPID	Maersk Line, Limited	Containership
MA/MSP-93	SEA-LAND COMET	Maersk Line, Limited	Containership
MA/MSP-94	MAERSK IDAHO	Maersk Line, Limited	Containership
MA/MSP-95	MAERSK KENTUCKY	Maersk Line, Limited	Containership
MA/MSP-96	ALLIANCE BEAUMONT	Maersk Line, Limited	RO/RO
MA/MSP-97	SEA-LAND RACER	Maersk Line, Limited	Containership
MA/MSP-98	INDEPENDENCE II	American International Shipping, LLC	RO/RO
MA/MSP-99	OVERSEAS MAREMAR	Maremar Tanker LLC	Tanker
MA/MSP-101	OVERSEAS LUXMAR	Luxmar Tanker LLC	Tanker
MA/MSP-102	OCEAN CHARGER	Patriot Shipping LLC	LO/LO <sup>14</sup>
MA/MSP-103	OCEAN CRESCENT	Patriot Shipping LLC	LO/LO
MA/MSP-104	GREEN BAY	Waterman Steamship Corporation	RO/RO
MA/MSP-105	GREEN DALE	Waterman Steamship Corporation	RO/RO
MA/MSP-106	MAERSK ALABAMA	Waterman Steamship Corporation	Geared Containership
MA/MSP-107	MAERSK CALIFORNIA	Waterman Steamship Corporation	Geared Containership
MA/MSP-108	ALLIANCE CHARLESTON	Argent Marine Operations, Inc.	RO/RO

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<sup>14</sup> Lift-On/Lift-Off



## Appendix 6

### Voluntary Intermodal Sealift Agreement (VISA) Vessel Listing as of September 30, 2013

<b><u>Company Name</u></b>	<b><u>Vessel Name</u></b>	<b><u>Vessel Type</u></b>	<b><u>Type</u></b>
American International Shipping	INDEPENDENCE II	RO/RO	MSP
APL Marine Services, Ltd.	APL AGATE	Containership	MSP
APL Marine Services, Ltd.	APL CHINA	Containership	MSP
APL Marine Services, Ltd.	APL CORAL	Containership	MSP
APL Marine Services, Ltd.	APL KOREA	Containership	MSP
APL Marine Services, Ltd.	APL PHILIPPINES	Containership	MSP
APL Marine Services, Ltd.	APL SINGAPORE	Containership	MSP
APL Marine Services, Ltd.	APL THAILAND	Containership	MSP
APL Maritime, Ltd	APL CYPRINE	Containership	MSP
APL Maritime, Ltd	APL PEARL	Containership	MSP
American President Lines, Ltd.	APL BELGIUM	Containership	International
Argent Marine Operations, Inc.	ALLIANCE FAIRFAX	RO/RO	MSP
Central Gulf Lines, Inc.	GREEN COVE	RO/RO	MSP
Central Gulf Lines, Inc.	GREEN LAKE	RO/RO	MSP
Central Gulf Lines, Inc.	GREEN POINT	RO/RO	MSP
Central Gulf Lines, Inc.	GREEN RIDGE	RO/RO	MSP
Farrell Lines, Inc.	ALLIANCE NORFOLK	RO/RO	MSP
Farrell Lines, Inc.	ALLIANCE ST. LOUIS	RO/RO	MSP
Farrell Lines, Inc.	MAERSK IOWA	Containership	MSP
Farrell Lines, Inc.	MAERSK MONTANA	Containership	MSP
Farrell Lines, Inc.	MAERSK OHIO	Containership	MSP
Fidelio Limited Partnership	COURAGE	RO/RO	MSP
Fidelio Limited Partnership	ENDURANCE	RO/RO	MSP
Fidelio Limited Partnership	FREEDOM	RO/RO	MSP
Fidelio Limited Partnership	HONOR	RO/RO	MSP
Fidelio Limited Partnership	INTEGRITY	RO/RO	MSP
Fidelio Limited Partnership	OCEAN FREEDOM	Heavylift breakbulk	MSP
Fidelio Limited Partnership	RESOLVE	RO/RO	MSP
Foss International, Inc.	STRONG MARINER	ITB <sup>15</sup>	International
Foss International, Inc.	THUNDER & LIGHTNING	ITB	International
Foss Maritime Co.	DELTA MARINER	RO/RO	International
Hapag Lloyd, USA , LLC	CARAT	Containership	International
Hapag Lloyd, USA , LLC	CHARLESTON EXPRESS	Geared Containership	MSP
Hapag Lloyd, USA , LLC	PHILADELPHIA EXPRESS	Geared Containership	MSP

<sup>15</sup> Integrated Tug/Barge

<b><u>Company Name</u></b>	<b><u>Vessel Name</u></b>	<b><u>Vessel Type</u></b>	<b><u>Type</u></b>
Hapag Lloyd, USA , LLC	ST LOUIS EXPRESS	Geared Containership	MSP
Hapag Lloyd, USA , LLC	WASHINGTON EXPRESS	Geared Containership	MSP
Hapag Lloyd, USA , LLC	YORKTOWN EXPRESS	Geared Containership	MSP
Horizon Lines, LLC	HORIZON ANCHORAGE	Containership	International
Horizon Lines, LLC	HORIZON CONSUMER	Containership	International
Horizon Lines, LLC	HORIZON DISCOVERY	Containership	Jones Act
Horizon Lines, LLC	HORIZON ENTERPRISE	Containership	Jones Act
Horizon Lines, LLC	HORIZON KODIAK	Containership	Jones Act
Horizon Lines, LLC	HORIZON NAVIGATOR	Containership	Jones Act
Horizon Lines, LLC	HORIZON PACIFIC	Containership	Jones Act
Horizon Lines, LLC	HORIZON PRODUCER	Containership	Jones Act
Horizon Lines, LLC	HORIZON RELIANCE	Containership	Jones Act
Horizon Lines, LLC	HORIZON SPIRIT	Containership	Jones Act
Horizon Lines, LLC	HORIZON TACOMA	Containership	Jones Act
Horizon Lines, LLC	HORIZON TRADER	Containership	Jones Act
Liberty Global Logistics, LLC	LIBERTY PRIDE	RO/RO	International
Liberty Global Logistics, LLC	LIBERTY PROMISE	RO/RO	International
Liberty Global Logistics, LLC	PRESTIGE NEW YORK	RO/RO	MSP
Liberty Shipping Group, LLC	LIBERTY EAGLE	Bulk Carrier	Jones Act
Liberty Shipping Group, LLC	LIBERTY GLORY	Bulk Carrier	Jones Act
Liberty Shipping Group, LLC	LIBERTY GRACE	Bulk Carrier	Jones Act
Maersk Line, Ltd.	ALLIANCE RICHMOND	RO/RO	MSP
Maersk Line, Ltd.	MAERSK ARKANSAS	Geared Containership	International
Maersk Line, Ltd.	MAERSK ATLANTA	Containership	MSP
Maersk Line, Ltd.	MAERSK CAROLINA	Containership	MSP
Maersk Line, Ltd.	MAERSK CHICAGO	Containership	MSP
Maersk Line, Ltd.	MAERSK COLUMBUS	Containership	MSP
Maersk Line, Ltd.	MAERSK DENVER	Containership	MSP
Maersk Line, Ltd.	MAERSK DETROIT	Containership	MSP
Maersk Line, Ltd.	MAERSK HARTFORD	Containership	MSP
Maersk Line, Ltd.	MAERSK IDAHO	Containership	MSP
Maersk Line, Ltd.	MAERSK ILLINOIS	Heavylift	International
Maersk Line, Ltd.	MAERSK KENTUCKY	Containership	MSP
Maersk Line, Ltd.	MAERSK MEMPHIS	Containership	MSP
Maersk Line, Ltd.	MAERSK MISSOURI	Containership	MSP
Maersk Line, Ltd.	MAERSK PITTSBURGH	Containership	MSP
Maersk Line, Ltd.	MAERSK TEXAS	Heavylift	International
Maersk Line, Ltd.	MAERSK UTAH	Containership	MSP
Maersk Line, Ltd.	MAERSK WISCONSIN	Containership	MSP
Maersk Line, Ltd.	SEA-LAND CHARGER	Containership	MSP

<b><u>Company Name</u></b>	<b><u>Vessel Name</u></b>	<b><u>Vessel Type</u></b>	<b><u>Type</u></b>
Maersk Line, Ltd.	SEA-LAND COMET	Containership	MSP
Maersk Line, Ltd.	SEA-LAND INTREPID	Containership	MSP
Maersk Line, Ltd.	SEA-LAND LIGHTNING	Containership	MSP
Matson Navigation Company, Inc.	KAUAI	Containership	Jones Act
Matson Navigation Company, Inc.	LIHUE	Containership	Jones Act
Matson Navigation Company, Inc.	LURLINE	Cont-RO/RO	Jones Act
Matson Navigation Company, Inc.	MAHI MAHI	Containership	International
Matson Navigation Company, Inc.	MANOA	Containership	International
Matson Navigation Company, Inc.	MANUKAI	Containership	Jones Act
Matson Navigation Company, Inc.	MANULANI	Containership	Jones Act
Matson Navigation Company, Inc.	MATSONIA	Cont-RO/RO	Jones Act
Matson Navigation Company, Inc.	MAUI	Containership	Jones Act
Matson Navigation Company, Inc.	MAUNALEI	Containership	Jones Act
Matson Navigation Company, Inc.	MAUNAWILI	Containership	Jones Act
Matson Navigation Company, Inc.	MOKIHANA	Containership	International
Matson Navigation Company, Inc.	R.J. PFEIFFER	Containership	Jones Act
National Shipping of America, LLC	NATIONAL GLORY	Containership	Jones Act
Pasha Hawaii Transport Lines LLC	JEAN ANNE	RO/RO	Jones Act
Patriot Shipping, LLC	OCEAN CHARGER	Heavylift breakbulk	MSP
Patriot Shipping, LLC	OCEAN CRESENT	Heavylift breakbulk	MSP
Patriot Titan, LLC	OCEAN TITAN	Heavylift breakbulk	International
Schuyler Line Navigation Co.	EOT SPAR	Containership	International
Sea Star Line, LLC	EL FARO	Cont&RO/RO	Jones Act
Sea Star Line, LLC	EL MORRO	RO-RO/LO-LO	Jones Act
Sea Star Line, LLC	EL YUNQUE	RO-RO/LO-LO	Jones Act
Sealift Inc.	ADVANTAGE	Breakbulk	International
Sealift, Inc.	BLACK EAGLE	Containership	International
Sealift, Inc.	CAPT SL BENNETT	Containership	International
Sealift, Inc.	HSV-2 SWIFT	High Speed Vessel	International
Sealift, Inc.	MARSTAN	Containership	International
Sealift Inc.	NOBLE STAR	Breakbulk	International
Sealift, Inc.	SAGAMORE	Containership	International
Stevens Transportation, LLC	COASTAL VENTURE	Multi-Purpose Cont.	International
Teras BBC Ocean Navigation Enterprises Houston, LLC	BBC HOUSTON	Multi-Purpose Cont.	International
Totem Ocean Trailer Express, Inc.	MIDNIGHT SUN	RO/RO	Jones Act
Totem Ocean Trailer Express, Inc.	NORTH STAR	RO/RO	Jones Act
TransAtlantic Lines LLC	MV GEYSIR	Containership	International
TransAtlantic Lines LLC	TRANSATLANTIC	Containership	International
Waterman Steamship Corporation	GREEN BAY	RO/RO	MSP
Waterman Steamship Corporation	OCEAN GIANT	Heavylift breakbulk	MSP

<b><u>Company Name</u></b>	<b><u>Vessel Name</u></b>	<b><u>Vessel Type</u></b>	<b><u>Type</u></b>
Waterman Steamship Corporation	MAERSK ALABAMA	Geared Containership	MSP
Waterman Steamship Corporation	MAERSK CALIFORNIA	Geared Containership	MSP
<b><u>TUGS and BARGES</u></b>			
A Way to Move, Inc.	WHITE HILL	Tug	Jones Act
A Way to Move, Inc.	BARGE #15	Barge	Jones Act
American Marine Corporation	AWB-240	Barge	Jones Act
American Marine Corporation	AMERICAN CHALLENGER	Tug	Jones Act
American Marine Corporation	AMERICAN CHAMPION	Tug	Jones Act
American Marine Corporation	AMERICAN CONTENDER	Tug	Jones Act
American Marine Corporation	AMERICAN EMERALD	Tug	Jones Act
American Marine Corporation	AMERICAN PATIORT	Tug	Jones Act
Beyel Brothers, Inc.	BLAKE BEYEL	Barge	Jones Act
Beyel Brothers, Inc.	BRADEN BEYEL	Tug	Jones Act
Beyel Brothers, Inc.	BRITTANY BEYEL	Tug	Jones Act
Beyel Brothers, Inc.	DANIEL P. BEYEL	Tug	Jones Act
Beyel Brothers, Inc.	GUS J HENRICH	Tug	Jones Act
Beyel Brothers, Inc.	MEGAN BEYEL	Tug	Jones Act
Beyel Brothers, Inc.	MOBRO 1210	Barge	Jones Act
Beyel Brothers, Inc.	SINGLETON	Tug	Jones Act
Columbia Coastal Transport, LLC	COLUMBIA BALTIMORE	Barge	Jones Act
Columbia Coastal Transport, LLC	COLUMBIA CHARLESTON	Barge	Jones Act
Columbia Coastal Transport, LLC	COLUMBIA ELIZABETH	Barge	Jones Act
Columbia Coastal Transport, LLC	COLUMBIA HOUSTON	Barge	Jones Act
CRC Marine Services, Inc.	PFE-LB	LASH Barge	Jones Act
Crimson Shipping Co., Inc.	CRIMSON ACE	Barge-RO/RO	Jones Act
Crimson Shipping Co., Inc.	CRIMSON CLOVER	Barge-RO/RO	Jones Act
Crimson Shipping Co., Inc.	CRIMSON TIDE	Barge-RO/RO	Jones Act
Crimson Shipping Co., Inc.	CRIMSON VICTORY	Tug	Jones Act
Crowley Marine Services, Inc.	BARGE 455-3	Barge	Jones Act
Crowley Marine Services, Inc.	BARGE 455-4	Barge	Jones Act
Crowley Marine Services, Inc.	BARGE 455-5	Barge	Jones Act
Crowley Marine Services, Inc.	BARGE 455-6	Barge	Jones Act
Crowley Marine Services, Inc.	BARGE 455-7	Barge	Jones Act
Crowley Marine Services, Inc.	BARGE JULIE B	Barge	Jones Act
Crowley Marine Services, Inc.	BARGE MARTY J	Barge	Jones Act
Crowley Marine Services, Inc.	BULWARK	Tug	Jones Act
Crowley Marine Services, Inc.	GUARDSMAN	Tug	Jones Act

<b><u>Company Name</u></b>	<b><u>Vessel Name</u></b>	<b><u>Vessel Type</u></b>	<b><u>Type</u></b>
Crowley Marine Services, Inc.	HUNTER	Tug	Jones Act
Crowley Marine Services, Inc.	NAVIGATOR	Tug	Jones Act
Crowley Marine Services, Inc.	SATURN	Tug	Jones Act
Crowley Marine Services, Inc.	SPARTAN	Tug	Jones Act
Crowley Marine Services, Inc.	STALWART	Tug	Jones Act
Crowley Marine Services, Inc.	WARRIOR	Tug	Jones Act
Crowley Puerto Rico Services, Inc.	ADVENTURER	Tug	Jones Act
Crowley Puerto Rico Services, Inc.	DEFENDER	Tug	Jones Act
Crowley Puerto Rico Services, Inc.	EL CONQUISTADOR	Barge	Jones Act
Crowley Puerto Rico Services, Inc.	EL REY	Barge	Jones Act
Crowley Puerto Rico Services, Inc.	ENSIGN	Tug	Jones Act
Crowley Puerto Rico Services, Inc.	EXPLORER	Tug	Jones Act
Crowley Puerto Rico Services, Inc.	FORTALEZA	Barge	Jones Act
Crowley Puerto Rico Services, Inc.	GAUNTLET	Tug	Jones Act
Crowley Puerto Rico Services, Inc.	JACKSONVILLE	Barge	Jones Act
Crowley Puerto Rico Services, Inc.	LA PRINCESA	Barge	Jones Act
Crowley Puerto Rico Services, Inc.	LA REINA	Barge	Jones Act
Crowley Puerto Rico Services, Inc.	MIAMI	Barge	Jones Act
Crowley Puerto Rico Services, Inc.	MONITOR	Tug	Jones Act
Crowley Puerto Rico Services, Inc.	PATRIARCH	Tug	Jones Act
Crowley Puerto Rico Services, Inc.	RANGER	Tug	Jones Act
Crowley Puerto Rico Services, Inc.	SAN JUAN	Barge	Jones Act
Crowley Puerto Rico Services, Inc.	SEA BREEZE	Tug	Jones Act
Crowley Puerto Rico Services, Inc.	SEA HORSE	Tug	Jones Act
Crowley Puerto Rico Services, Inc.	SENTINEL	Tug	Jones Act
Crowley Puerto Rico Services, Inc.	SENTRY	Tug	Jones Act
Dann Marine Towing, LC	ATLANTIC COAST	Tug	Jones Act
Dann Marine Towing, LC	CALUSA COAST	Tug	Jones Act
Dann Marine Towing, LC	CORAL COAST	Tug	Jones Act
Dann Marine Towing, LC	CRYSTAL COAST	Tug	Jones Act
Dann Marine Towing, LC	DMT-402	Hopper Barge	Jones Act
Dann Marine Towing, LC	DMT-403	Hopper Barge	Jones Act
Dann Marine Towing, LC	DMT-404	Hopper Barge	Jones Act
Dann Marine Towing, LC	DMT-405	Hopper Barge	Jones Act
Dann Marine Towing, LC	DMT-406	Hopper Barge	Jones Act
Dann Marine Towing, LC	DMT-407	Hopper Barge	Jones Act
Dann Marine Towing, LC	DMT-408	Hopper Barge	Jones Act
Dann Marine Towing, LC	DMT-409	Hopper Barge	Jones Act
Dann Marine Towing, LC	DMT-410	Hopper Barge	Jones Act
Dann Marine Towing, LC	EAST COAST	Tug	Jones Act



<b><u>Company Name</u></b>	<b><u>Vessel Name</u></b>	<b><u>Vessel Type</u></b>	<b><u>Type</u></b>
Dann Marine Towing, LC	EMERALD COAST	Tug	Jones Act
Dann Marine Towing, LC	FIRST COAST	Tug	Jones Act
Dann Marine Towing, LC	GOLD COAST	Tug	Jones Act
Dann Marine Towing, LC	GULF COAST	Tug	Jones Act
Dann Marine Towing, LC	IVORY COAST	Tug	Jones Act
Dann Marine Towing, LC	NEW ENGLAND COAST	Tug	Jones Act
Dann Marine Towing, LC	PALM COAST	Tug	Jones Act
Dann Marine Towing, LC	RADACO 103	Barge-Deck	Jones Act
Dann Marine Towing, LC	SEA COAST	Tug	Jones Act
Dann Marine Towing, LC	SUN COAST	Tug	Jones Act
Dann Marine Towing, LC	TREASURE COAST	Tug	Jones Act
Dann Marine Towing, LC	ZEUS	Tug	Jones Act
Foss International, Inc.	AMERICAN	Barge	Jones Act
Foss International, Inc.	COLUMBIA BOSTON	Barge	Jones Act
Foss Maritime Co.	BARANOF	Barge	Jones Act
Foss Maritime Co.	BARBARA FOSS	Tug	Jones Act
Foss Maritime Co.	CORBIN FOSS	Tug	Jones Act
Foss Maritime Co.	DREW FOSS	Tug	Jones Act
Foss Maritime Co.	HO'OMAKA HOU	Barge	Jones Act
Foss Maritime Co.	JUSTINE FOSS	Tug	Jones Act
Foss Maritime Co.	KAHOLO	Barge	Jones Act
Foss Maritime Co.	LAUREN FOSS	Tug	Jones Act
Foss Maritime Co.	SIDNEY FOSS	Tug	Jones Act
Foss Maritime Co.	SITKA	Barge-Tank	Jones Act
Laborde Marine, L.L.C.	GENIE LAB	OSV	Jones Act
Laborde Marine, L.L.C.	HILDA LAB	OSV	Jones Act
Laborde Marine, L.L.C.	JEAN PIERRE LAB	OSV	Jones Act
Laborde Marine, L.L.C.	JOHN P. LAB	OSV	Jones Act
Laborde Marine, L.L.C.	RED LAB	OSV	Jones Act
Lockwood Brothers, Inc.	LOCKWOOD 2002	Barge	Jones Act
Lockwood Brothers, Inc.	MARY BENNETT	Tug	Jones Act
Lynden Incorporated & Affiliates	ALASKA PROVIDER	Barge-Deck	Jones Act
Lynden Incorporated & Affiliates	ANCHORAGE PROVIDER	Barge-Railcar	Jones Act
Lynden Incorporated & Affiliates	ARCTIC BEAR	Tug	Jones Act
Lynden Incorporated & Affiliates	BARANOF PROVIDER	Barge-Deck	Jones Act
Lynden Incorporated & Affiliates	CHATHAM PROVIDER	Barge-Deck	Jones Act
Lynden Incorporated & Affiliates	CHICHAGOFF PROVIDER	Barge-Deck	Jones Act
Lynden Incorporated & Affiliates	FAIRBANKS PROVIDER	Barge-Railcar	Jones Act
Lynden Incorporated & Affiliates	NANA PROVIDER	Barge-Deck	Jones Act
Lynden Incorporated & Affiliates	SOUTHEAST PROVIDER	Barge-Deck	Jones Act

<b><u>Company Name</u></b>	<b><u>Vessel Name</u></b>	<b><u>Vessel Type</u></b>	<b><u>Type</u></b>
Lynden Incorporated & Affiliates	STICKEEN	Barge	Jones Act
Lynden Incorporated & Affiliates	TAKU PROVIDER	Barge-Deck	Jones Act
Lynden Incorporated & Affiliates	TONGASS PROVIDER	Barge-Deck	Jones Act
Lynden Incorporated & Affiliates	WHITTIER PROVIDER	Barge-Railcar	Jones Act
Matson Navigation Company, Inc.	HALEAKALA	Container Barge (SS)	Jones Act
Matson Navigation Company, Inc.	MAUNA KEA	Container Barge (SS)	Jones Act
Matson Navigation Company, Inc.	MAUNA LOA	Container Barge (SS)	Jones Act
Matson Navigation Company, Inc.	WAIALEALE	Container-RO/RO Barge	Jones Act
McAllister Towing and Transportation Co., Inc.	AMY McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	ATLANTIC TRADER	Container Barge	Jones Act
McAllister Towing and Transportation Co., Inc.	BARBARA McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	BRUCE A McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	CHESAPEAKE TRADER	Container Barge	Jones Act
McAllister Towing and Transportation Co., Inc.	CHRISTINE McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	DAVID McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	EILEEN McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	IONA McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	JUSTINE McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	KATIE G McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	MARIANNE McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	MARJORIE B McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	McALLISTER GIRLS	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	McALLISTER SISTERS	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	MEGAN McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	MICHAEL J. McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	PATRICE McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	RELIANCE	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	RESOLUTE	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	RON G.	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	ROWAN McALLISTER	Tug	Jones Act
McAllister Towing and Transportation Co., Inc.	SUSAN McALLISTER	Tug	Jones Act
McCulley Marine Services, Inc,	CHAMPION	Tug	Jones Act
McCulley Marine Services, Inc,	D2005	Barge	Jones Act
McCulley Marine Services, Inc,	ELIZABETH ANNE	Tug	Jones Act
McCulley Marine Services, Inc,	MOBRO 126	Barge	Jones Act
McCulley Marine Services, Inc,	REGINA T	Tug	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	BIG MAX	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	CHEETAH	Tug	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	EL PUMA GRANDE	Tug	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MB 1213	Barge	Jones Act

<b><u>Company Name</u></b>	<b><u>Vessel Name</u></b>	<b><u>Vessel Type</u></b>	<b><u>Type</u></b>
Northcliffe Ocean Shipping & Trading Company, Inc.	MB 1215	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MB 1216	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MB 1218	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MB 1219	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MB 1700	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MB 1702	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MB 1703	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MB 1704	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MB 2007	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MB 2501	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MOBRO 1007	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MOBRO 1008	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MOBRO 1214	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MOBRO 1705	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MOBRO 2008	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MOBRO 2009	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	MOBRO 2503	Barge	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	RIO BRAVO	Tug	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	SEA EAGLE	Tug	Jones Act
Northcliffe Ocean Shipping & Trading Company, Inc.	YBOR CITY	Tug	Jones Act
Northland Services, Inc.	ALASKA TRADER	Barge	Jones Act
Northland Services, Inc.	ALEUTIAN TRADER	Barge	Jones Act
Northland Services, Inc.	ANCHORAGE TRADER	Barge	Jones Act
Northland Services, Inc.	BERING TRADER	Barge	Jones Act
Northland Services, Inc.	BRISTOL BAY TRADER	Barge	Jones Act
Northland Services, Inc.	HAWAII TRADER	Barge	Jones Act
Northland Services, Inc.	KENAI TRADER	Barge	Jones Act
Northland Services, Inc.	KOYUKUK	Barge	Jones Act
Northland Services, Inc.	KUSKOKWIM TRADER	Barge	Jones Act
Northland Services, Inc.	KVICHAK TRADER	Barge	Jones Act
Northland Services, Inc.	NAKNEK TRADER	Barge	Jones Act
Northland Services, Inc.	NUSHAGAK TRADER	Barge	Jones Act
Northland Services, Inc.	PACIFIC TRADER	Barge	Jones Act
Northland Services, Inc.	POLAR KING	Tug	Jones Act
Northland Services, Inc.	POLAR RANGER	Tug	Jones Act
Northland Services, Inc.	POLAR STORM	Tug	Jones Act
Northland Services, Inc.	POLAR TRADER	Barge	Jones Act
Northland Services, Inc.	POLAR VIKING	Tug	Jones Act
Northland Services, Inc.	SHELIKOF TRADER	Barge	Jones Act
Northland Services, Inc.	TOGIAK TRADER	Barge	Jones Act

<b><u>Company Name</u></b>	<b><u>Vessel Name</u></b>	<b><u>Vessel Type</u></b>	<b><u>Type</u></b>
Northland Services, Inc.	WESWARD TRADER	Barge	Jones Act
Northland Services, Inc.	YUKON TRADER	Barge	Jones Act
Resolve Towing & Salvage	LANA ROSE	Tug	Jones Act
Resolve Towing & Salvage	RMG 400	Barge	Jones Act
Samson Tug & Barge Co., Inc.	ANNAHOOTZ	Barge Combo Deck/Tank	Jones Act
Samson Tug & Barge Co., Inc.	POWHATAN	Tug	Jones Act
Samson Tug & Barge Co., Inc.	SAMSON MARINER	Tug	Jones Act
Seabridge, Inc.	CHAMORRO	Tug	Jones Act
Seabridge, Inc.	S-2006	Barge	Jones Act
Seabridge, Inc.	S-2007	Barge	Jones Act
Seabridge, Inc.	S-2011	Barge	Jones Act
Seabridge, Inc.	S-7000	Barge	International
Seabridge, Inc.	TAMARAW	Tug	International
SeaTac Marine Sevices, LLC	SEATAC 300	Barge	Jones Act
Smith Maritime Inc.	ELSBETH	Tug	Jones Act
Smith Maritime Inc.	ELSBETH II	Tug	Jones Act
Smith Maritime Inc.	ELSBETH III	Tug	Jones Act
Smith Maritime Inc.	ELVIS	Barge	Jones Act
Smith Maritime Inc.	MARILYN MONROE	Barge	International
Smith Maritime Inc.	RHEA	Tug	Jones Act
Stevens Towing Co., Inc.	SJ-160	Barge-Hopper	Jones Act
Stevens Towing Co., Inc.	SJ-170	Barge-Hopper	Jones Act
Stevens Towing Co., Inc.	SJ-199	Barge-Hopper	Jones Act
Stevens Towing Co., Inc.	SJ-208	Barge-Hopper	Jones Act
Stevens Towing Co., Inc.	SJ-213	Barge-Hopper	Jones Act
Stevens Towing Co., Inc.	SJ-214	Hopper Barge	Jones Act
Stevens Towing Co., Inc.	SJ-215	Barge-Hopper	Jones Act
Stevens Towing Co., Inc.	T/V ISLAND BOY	Push Boat	Jones Act
Stevens Towing Co., Inc.	T/V ISLAND EXPRESS	Push Boat	Jones Act
Stevens Towing Co., Inc.	T/V ISLAND TIDE	Push Boat	Jones Act
Stevens Towing Co., Inc.	T/V ISLAND TRADER	Coastal Tug	Jones Act
Stevens Towing Co., Inc.	T/V ROYAL ENGINEER	Push Boat	Jones Act
Superior Maritime Services, Inc	ISLAND FOX	Tug	Jones Act
Superior Maritime Services, Inc	STEVENS OCEAN	Barge	Jones Act
Trailer Bridge, Inc.	ATLANTA BRIDGE	Barge-LO/LO	Jones Act
Trailer Bridge, Inc.	BROOKLYN BRIDGE	Barge-LO/LO	Jones Act
Trailer Bridge, Inc.	CHARLOTTE BRIDGE	Barge-LO/LO	Jones Act
Trailer Bridge, Inc.	CHICAGO BRIDGE	Barge-LO/LO	Jones Act
Trailer Bridge, Inc.	JAX SAN JUAN BRIDGE	Barge-RO/RO	Jones Act
Trailer Bridge, Inc.	MEMPHIS BRIDGE	Barge-LO/LO	Jones Act

<b><u>Company Name</u></b>	<b><u>Vessel Name</u></b>	<b><u>Vessel Type</u></b>	<b><u>Type</u></b>
Trailer Bridge, Inc.	SAN JUAN JAX BRIDGE	Barge-RO/RO	Jones Act
TransAtlantic Lines LLC	GUANTANAMO BAY EXPRESS	Barge	Jones Act
TransAtlantic Lines LLC	SPENCE	Tug	Jones Act
Western Towboat Company	OCEAN RANGER	Tug	Jones Act
Western Towboat Company	WESTERN #7	Barge-Deck	Jones Act
Western Towboat Company	WESTERN CARRIER	Barge-Deck	Jones Act
Western Towboat Company	WESTERN RANGER	Tug	Jones Act
Western Towboat Company	WESTERN SERVICE	Barge-Deck	Jones Act
Western Towboat Company	WESTERN VENTURE	Barge-Deck	Jones Act
Young Brothers Ltd	HA'A HEO	Barge	Jones Act
Young Brothers Ltd	HOKU KEA	Tug	Jones Act
Young Brothers Ltd	HOKU LOA	Tug	Jones Act
Young Brothers Ltd	HOKULANI	Tug	Jones Act
Young Brothers Ltd	KALA'ENALU	Barge	Jones Act
Young Brothers Ltd	KAMALUHIA	Barge	Jones Act
Young Brothers Ltd	KUKAHI	Barge	Jones Act
Young Brothers Ltd	MAKA'ALA	Barge	Jones Act
Young Brothers Ltd	MALULANI	Tug	Jones Act
Young Brothers Ltd	MANAOKEKAI	Tug	Jones Act
Young Brothers Ltd	MOANA HOLO	Tug	Jones Act



Appendix 7

## Vessels Approved for Transfer to Foreign Registry Fiscal Year 2013

Vessel Name	Type of Vessel	U.S. owner	Purchaser	Registry & Flag	Proposed Use
<b>NANCY JO</b>	Tanker	Olympic Tug & Barge, LLC	Chartering Management, Inc.	British Virgin Islands	Local water transportation
<b>CB 2282</b>	Barge	S & S Overseas	Construcciones Costas A Fuera Panamanian, S.A.	Panamanian	Transport construction equipment & materials
<b>GREEN COVE</b>	Barge	Central Gulf Lines, Inc.	Frazer Shipholding S.A.	Panamanian	Transport freight in worldwide roll-on/roll-off trade.
<b>SARA B</b>	Barge	Cooper/T Smith Stevedoring Co., Inc.	NO SALE INVOLVED	Colombia	Transfer coal from the barge to ship.
<b>DBZ-1</b>	Barge	Transfuel Barge Co., LLC	Hydrotrans Services, S.A.	Panamanian	Coast wise, transporting fuel to facilities
<b>TAYLOR J</b>	Tanker	The Jankovich Company	Infraestructura Y Servicios Portuarios, S.A. de C.V.	Mexico	Scrapped
<b>HORIZON HAWAII SCT 280</b>	Container Cargo	Horizon Lines LLC	Bay Bridge Texas LLC	US	Scrapped
<b>BOBBY RAWLE TIDE</b>	Platform Supply	Island Tug & Barge Co.	Tidal Towing, Ltd.	Canada	Aggregate transportation
<b>ROWAN GORILLA III</b>	Drilling Rig	Zapata Gulf Pacific, LLC	NO SALE INVOLVED	Vanuatu	Offshore operations in oil & gas production & exploration
<b>ROWAN GORILLA VI</b>	Drilling Rig	Atlantic Maritime Services LLC	NO SALE INVOLVED	Marshall Islands	Ease vessel administration and meeting flag requirements
<b>HOSE BEAUFORT</b>	Offshore Supply	Atlantic Maritime Services LLC	NO SALE INVOLVED	Marshall Islands	Employment in drilling operations
<b>SEACOR VALOR</b>	Offshore Supply	Hornbeck Offshore Services, LLC	NO SALE INVOLVED	Mexico	Offshore support
<b>ROWAN GORILLA IV</b>	Drilling Rig	Seacor Marine International LLC	NO SALE INVOLVED	Marshall Islands	Offshore support
<b>ROWAN JUNEAU</b>	Drilling Rig	Atlantic Maritime Services LLC	NO SALE INVOLVED	Marshall Islands	Drilling operations
<b>HSV-2 SWIFT</b>	Cargo	Rowan Companies, Inc.	NO SALE INVOLVED	Marshall Islands	Drilling operations
<b>ABC2</b>	Barge	Swift LLC	NO SALE INVOLVED	Marshall Islands	Foreign Commerce
<b>WEB 204</b>	Barge	VCMS LLC	Barcazas Y Remolques S.A. De C.V.	Mexico	Operate in the Gulf of Mexico & Mexico waters transporting cargo.
		Destin Trading Corp.	Ferouz Admin	Guyana	Commercial trade

<b>WEB 205</b>	Barge	Destin Trading Corp.	Ferouz Admin	Guyana	Commercial trade
<b>WEB 206</b>	Barge	Destin Trading Corp.	Ferouz Admin	Guyana	Commercial trade
<b>KATY-B</b>	Barge	Salmon Bay Barge Line	Infraestructura Y Servicios Portuarios, S.A. de C.V.	Panamanian	Freight in South America
<b>BARGE 410</b>	Barge	Vessel Management Services, Inc.	Operateurs Fortuaire Reunis S.A.	Haiti	Cargo transfer platform at Port-au-Prince
<b>JMC 3003</b>	Barge	Cashman Equipment Corp.	NO SALE INVOLVED	Mexico	Operate in foreign commerce
<b>STIM STAR ARABIAN GULF</b>	Offshore Supply	Wells Fargo Bank Northwest (Trustee)	NO SALE INVOLVED	Marshall Islands	Offshore support
<b>HOS SUPER H</b>	Offshore Supply	Hornbeck Offshore Services, LLC	NO SALE INVOLVED	Mexico	Offshore support
<b>TM 1900</b>	Barge	Seabridge, Inc.	Maylayan Towage & Salvage Corp.	Philippines	Cargo movements
<b>HORIZON CHALLENGER</b>	Container	Horizon Lines, LLC	Bat Bridge Texas LLC	US	Scrapped
<b>KIRBY 11801</b>	Barge	Coastal Marine Contractors LLC	Cana Gas S.A.S.	Columbia	Provided oil storage & transportation services.
<b>KIRBY 9802</b>	Barge	Coastal Marine Contractors LLC	Cana Gas S.A.S.	Columbia	Provided oil storage & transportation services.
<b>GSF EXPLORER</b>	Drilling Rig	Global Santa Fe Drilling Co.	NO SALE INVOLVED	Vanuatu	Drilling operations
<b>JMC 2515</b>	Barge	Cashman Equipment Corp.	NO SALE INVOLVED	Mexico	Operate in foreign commerce
<b>JMC 2516</b>	Barge	Cashman Equipment Corp.	NO SALE INVOLVED	Mexico	Operate in foreign commerce
<b>NOBLE STAR</b>	Cargo	Sealift Tankships LLC	Octavia Holdings S.A.	Panamanian	Scrapped in India
<b>ARTIC STAR</b>	Fishing	Icicle Seafoods, Inc.	Infraestructura Y Servicios Portuarios, S.A. de C.V.	Panamanian	Operate in Mexican waters
<b>Vessel Name</b>	<b>Type of Vessel</b>	<b>U.S. owner</b>	<b>Purchaser</b>	<b>Registry &amp; Flag</b>	<b>Proposed Use</b>
<b>BERING STAR</b>	Fishing	Alaska Star, Inc.	Infraestructura Y Servicios Portuarios, S.A. de C.V.	Panamanian	Operate in Mexican waters

## Appendix 8

## Loan Guarantees in the Title XI Portfolio As of September 30, 2013

SHIPOWNER	VESSELS	MA. NUMBER	TOTAL MORTGAGE BAL.
ASTRO OFFSHORE CORPORATION	ASTRO BARRACUDA/1 SUPPLY VESSEL	MA-13478	\$5,227,000
BILLYBEY FERRY COMPANY LLC	16 FERRY VESSELS	MA-13988	\$11,309,176
BOLDINI	5 PLATFORM SUPPLY VESSELS	MA-14154	\$248,920,000
CAL DIVE I TITLE XI INC	DEEPWATER MULTI-SERVICE VESSEL	MA-13599	\$100,168,424
CANAL BARGE COMPANY INC	CBC 325-CBC 328	MA-12870	\$330,000
CANAL BARGE COMPANY INC	CBC 329-355, 110-114, 118-227, 761-762	MA-13535	\$11,444,000
CANAL BARGE COMPANY INC	21 RIVER BARGES	MA-13199	\$2,700,000
CANAL BARGE COMPANY INC	CBC 100-109, CBC 301-302, CBC 366-368	MA-13730	\$7,079,000
CANAL BARGE COMPANY INC	CBY 222-251, CBC 1267-8, 903-912	MA-13394	\$4,400,000
CANAL BARGE COMPANY INC	39 BARGES	MA-14123	\$35,285,800
CASHMAN EQUIPMENT CO	CEC 251-CC-255	MA-13491	\$2,000,000
CASHMAN EQUIPMENT CO	7 OCEAN DECK BARGES	MA-13351	\$3,109,000
FOSS MARITIME	3 DOUBLE HULL BUNKER BARGES	MA-2010-1	\$19,162,400
EASTERN SHIPBUILDING GROUP INC	SHIPYARD MODERNIZATION	MA-13544	\$866,000
ENSCO OFFSHORE COMPANY	ENSCO 7500	MA-13552	\$31,675,000
ENSCO OFFSHORE COMPANY	ENSCO 105	MA-13674	\$33,750,000
GUAM INDUSTRIAL SERVICES INC	ONE DRY DOCK	MA-13819	\$1,627,892
LAKE EXPRESS LLC	PASSENGER /CAR FERRY	MA-13902	\$9,572,963
LIGHTSHIP TANKERS III, LLC	SEABULK PRIDE	MA-13458	\$29,279,000
LIGHTSHIP TANKERS IV, LLC	SEABULK ARCTIC	MA-13464	\$29,335,000
LIGHTSHIP TANKERS V, LLC	SEABULK MARINER	MA-13468	\$29,405,000
MATSON NAVIGATION COMPANY INC	MANUKAI, MAUNAWILI	MA-13853	\$68,200,000
PASHA HAWAII TRANSPORT LINES LLC	JEAN ANNE	MA-13620	\$55,215,041
PERFORADORA CENTRAL, SA	TONALA	MA-13794	\$5,815,117
PETRODRILL FIVE LIMITED	PRIDE PORTLAND	MA-13511	\$42,637,000
PETRODRILL FOUR LIMITED	PRIDE RIO DE JANEIRO	MA-13505	\$35,687,000
PETRODRILL FOUR LIMITED	PRIDE PORTLAND/RIO DE JANEIRO	MA-2004	\$5,471,000
REINAUER MARITIME COMPANY	TWO TUG-BARGE UNITS	MA-13723	\$29,313,000
STERLING EQUIPMENT INC	E CARROL/CAPT FOURNIER/JOE VERROCHI	MA-13742	\$4,381,000
TOTEM OCEAN TRAILER EXPRESS INC	M/V NORTH STAR	MA-13882	\$51,730,000
TOTEM OCEAN TRAILER EXPRESS INC	MIDNIGHT SUN	MA-13760	\$131,406,881
VANE LINE BUNKERING INC	DOUBLE SKIN 51 AND DOUBLE SKIN 52	MA-13813	\$6,634,620
VANE LINE BUNKERING INC	DOUBLE SKIN 55, DOUBLE SKIN 57	MA-13959	\$7,542,400
VESSEL MANAGEMENT SERVICES INC	VESSEL	MA-14106	\$227,359,000
VESSEL MANAGEMENT SERVICES INC	10 TUGS	MA-13472	\$31,680,000
VESSEL MANAGEMENT SERVICES INC	ALBERT/ATTENTIVE/AWARE/ROGER G/ GUS E	MA-13667	\$17,160,000
VESSEL MANAGEMENT SERVICES INC	SEA RELIANCE AND SOUND RELIANCE	MA-13718	\$32,009,000
VESSEL MANAGEMENT SERVICES INC	3 TUG BARGE UNITS	MA-14161	\$326,644,000
VESSEL MANAGEMENT SERVICES INC	OCEAN RELIANCE AND COASTAL RELIANCE	MA-13766	\$35,310,000
<b>TOTAL GUARANTEES OUTSTANDING</b>			\$1,730,840,713
<b>OUTSTANDING COMMITMENTS</b>			COMMITMENT BALANCE
OVERSEAS SHIPHOLDING GROUP			\$0
<b>TOTAL GUARANTEES AND COMM.</b>			<b>\$1,730,840,713</b>

Appendix 9

## Pending Applications for Title XI Financing As of September 30, 2013

PUBLIC DISTRIBUTION							
MARITIME ADMINISTRATION							
Title XI Ship Financing Guarantees							
PENDING APPLICATIONS							
As of August 6, 2013							
Applicant	No. of Ships	Types of Vessels/Projects	Shipyard	Actual Cost to Applicant	Requested Loan Amount	Requested Term	App. Completion Date
Pasha Hawaii Shipping Company LLC	1	Container/Ro-Ro vessel	VT Halter Marine, Gulfport, MS	\$178,217,000	\$155,940,000	25 yrs	01/25/12
Legacy Leader, LLC	3	Platform Supply vessels	Gulf Ship, L.L.C., Gulfport, MS	\$422,550,000	\$369,731,250	20 yrs	02/07/12
	2	Platform Supply vessels	LAShip, L.L.C., Houma, La				
	3	Platform Supply vessels	North American Shipbuilding L.L.C., Larose, LA				
	2	Platform Supply vessels	TampaShip, L.L.C., Tampa, FL				
TOTE Shipholdings, Inc.	2	Containerships	General Dynamics NASSCO, San Diego, CA	\$366,000,000	\$320,000,000	25 yrs	05/14/13
Crowley Tankers, LLC	2	Veteran Class product tankers	Aker Shipyard, Philadelphia, PA	\$193,500,000	\$169,300,000	25 yrs	07/01/13
J.R. Gray Barge, Inc.	3	ABS Full Ocean Classed Deck Barges	Conrad Industries, Morgan City, LA	\$15,100,000	\$12,000,000	20 yrs	08/02/13
<b>TOTAL</b>	<b>18</b>			<b>\$1,175,367,000</b>	<b>\$1,026,971,250</b>		

## **Other Required Title XI Data**

46 USC 53718 requires the Administrator to report the following additional information on the Title XI Program to Congress annually:

### 2013

#### Appropriations Available For New Guarantees

- As of September 30, 2013 there was \$38,000,000 available for new guarantees.

#### Profiles Projects Approved Since Last Report

- No loan guarantees were approved in FY 2013.

#### Projects in the Portfolio Facing Financial Difficulties

- As of September 30, 2013, projects totaling \$27,737,030 faced financial difficulties.

#### Profiles of Any Defaults since Last Report

- No defaults occurred in FY 2013.

**U.S. Department of Transportation**

**Maritime Administration**

**1200 New Jersey Avenue, SE**

**Washington, DC 20590**

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